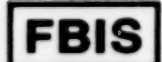


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12 March 1986

# USSR Report

CONSUMER GOODS AND DOMESTIC TRADE



FOREIGN BROADCAST INFORMATION SERVICE

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12 March 1986

## USSR REPORT

### CONSUMER GOODS AND DOMESTIC TRADE

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### IMPACT OF LOCAL INDUSTRY GROWTH ON CONSUMER DEMAND ANALYZED

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 11, Nov 85 pp 61-69

[Article by K. Dolotov, deputy department chief of Gosplan USSR: "An Important Source of Satisfaction of the Population's Requirements"]

[Text] In September 1985, the Politburo of the CPSU Central Committee examined and approved the Complex Program of Development of Production of Consumer Goods and the Service Sphere for 1986-2000. An important role in the accomplishment of this program belongs to local industry, the further growth of which should ensure a significant increase in the production of high-quality consumer goods and fuller satisfaction of the population's demand for these goods.

Local industry possesses a multisectorial production structure. The biggest share belongs to light-industry sectors (about 50 percent), machine building and metal working (17 percent) and the chemical industry (12 percent). A broad assortment of products is produced--from clothespins to concert pianos and complex instruments and equipment. In 1985, of the total volume of local industry's commodity production, 76 percent consists of consumer items, including products of everyday use--28 percent.

Compared to 1965, industrial production volume has increased more than fourfold, the capital-labor ratio and the power-labor ratio have grown significantly, hundreds of enterprises have been built or modernized, and the technical base has been strengthened. Party and soviet organs devote a great deal of attention to development of local industry.

On 18 April 1985, the decree of the CPSU Central Committee and the USSR Council of Ministers "On Measures for Further Developing Local Industry During 1986-1990 and in the Period to the Year 2000" was adopted. It defined the basic tasks of this sector relating to increasing the output of products of everyday and household use and other items, wider employment of local raw materials and wastes of industrial and agricultural production, strengthening the material-technical base of enterprises, raising the level of organization of production, improving the use of fixed capital, introducing new equipment and advanced technology and others.

Despite certain successes achieved by local industry, the sector has unsolved problems. The created production potential is still not being fully used and the needs of the population for many goods are still not being satisfied.

During the current 5-year plan, targets of the 5-year plan are not being fully fulfilled for output of commodity production, especially in the local-industry ministries of the RSFSR, Ukrainian SSR, Belorussian SSR, Georgian SSR and Azerbaijan SSR.

In the years of the 5-year plan that have passed, production growth rates of products of everyday and household use also have been below those specified by the 5-year plan. The local-industry ministries of the RSFSR, Ukraine, Azerbaijan and Uzbekistan constantly fail to fulfill the plan for output of products of everyday use.

Local industry did not operate sufficiently strenuously in the first half of the current year. According to the plan for increasing output by 4.4 percent of commodity production in 1985 compared to 1984, actual growth for January-May was only 3.3 percent. In addition to objective reasons (interruptions in the supply of electric power during the winter season as well as of certain raw and others materials), an insufficiently high level of organizational work by organs of local-industry management and heads of associations and enterprises with respect to mobilization of reserves existing in the sector is making itself felt.

In recent years, yield on capital has been getting smaller. In 1980, it amounted to 3.3 rubles on the average, but in 1984--3.1 rubles. Yield on capital has been reduced most sharply at enterprises of local-industry ministries of the RSFSR and the Kazakh SSR, Azerbaijan, Lithuanian and Estonian union republics.

Unsatisfactory use of fixed production capital is likewise shown by reduction of the work shift coefficient of local-industry enterprises (from 1.3 in 1980 to 1.24 in 1984). For all practical purposes, enterprises and production associations of these ministries have been operating a single shift in Turkmen SSR (1.02), Georgian SSR (1.07), Kirghiz SSR and Armenian SSR (1.13).

In 1984, within the organization of the RSFSR Ministry of Local Industry in the production of 35 kinds of products, production capacities were less than 90 percent utilized, including in the production of knives, forks and spoons from stainless steel--76 percent, steel enamelware--75 percent, pencils--75 percent, wall materials--71.8 percent, ceramic tile--56.5 percent.

Capacities for the production of steel enamelware and wool kerchiefs at the Tajik SSR Ministry of Local Industry are not being fully used. At Tarbeklass Plant of the Estonian SSR Ministry of Local Industry, which went into operation 3 years ago and is equipped with high-efficiency imported equipment, it is planned this year to utilize only 62 percent of the capacities for production of items from glass.

The technical level of many local-industry enterprises continues to be low, mechanization of production is being weakly introduced and the proportion of manual labor is slow in being reduced.

As of 1 January 1985, the number of workers engaged in manual labor at local-industry enterprises (without taking into account the number of workers working at home and engaged in the production of art crafts) amounted to 44.7 percent of the total number of workers whose labor is subject to mechanization. About 7.7 percent are engaged in heavy physical labor. Curtailment of such types of work and the elimination of heavy physical labor are of primary importance.

Further raising of the technical level of production through the introduction of progressive equipment and technology largely depends on the work of sectorial institutes and planning-and-design organizations of local industry. Each year roughly 85 million rubles are spent on implementation of scientific and technical measures according to plans approved in the republics. This provides a profit growth of approximately 60 million rubles and a reduction in the number of workers of roughly 15,000 persons. But with improvement of organization and management of scientific work, results could be significantly higher. Not all institutes and planning-and-design buros as yet completely fulfill the functions assigned to them. Insufficient attention is paid to work on the creation of progressive technological processes and comprehensive mechanization of individual production shops and sectors. Existing designs of high-efficiency equipment, individual complexes, processing centers, robot equipment and manipulators are being weakly used in planning.

The level of individual types of machines and equipment created by institutes and planning-and-design buros still does not meet the needs of industry, and the effectiveness of these developments is low per ruble of cost and in some republics it is significantly less than a ruble (Tajik SSR, Latvian SSR and Armenian SSR). Sometimes conducted research is duplicated, which results in irrational expenditure of resources, and the system of complex plans from development to implementation of measures and prospectives of compilation of programs for the most important problems are not determined. The experimental base of institutes is very weak, and this has a negative effect on the quality of planned machines and consequently on the quality of production output.

At a conference at the CPSU Central Committee on questions of acceleration of scientific and technical progress, it was pointed out that the most accurate and generalizing indicator of scientific and technical progress, standards and discipline of labor is a rise in production quality.

Ministries, institutes and planning-and-design buros must significantly improve work on raising the quality of production output and expanding and renewing assortment. In local industry, the relative share of products with the Seal of Quality was only 12 percent in 1984 and even less in some republics--in the RSFSR--9 percent, Uzbek SSR--9.3 percent, Kazakh SSR--9.4 percent, Tajik SSR--10.7 percent. Only 4 percent of the products are produced with the index "N".



In the last 5-year period, the volume of intrasystem production of technological equipment and accessories has increased. New capacities have been created for their output in the RSFSR, Ukrainian SSR, Estonian SSR and other republics. Planning and material supply of this production have improved. But, in our view, the contribution of the ministries themselves to the design and manufacture of means of mechanization, special equipment and machine-tool attachments is still inadequate.

The total production volume of special equipment and fittings does not cover the needs of the sector. At a number of ministries, little attention is paid to development of capacities for the production of special equipment and machine-tool attachments and the necessary capital investment is not allocated for these purposes. Thus at the RSFSR Ministry of Local Industry, which puts out about 50 percent of the total volume of commodity production, slightly more than one-fourth of machine-tool attachments are manufactured.

The decree of the CPSU Central Committee and the USSR Council of Ministers of 18 April 1985 provided for involving collectives of industrial enterprises of union and republic subordination on a contractual basis in providing assistance to enterprises of local industry in reequipment of production, mechanization of labor-intensive operations and provision of them with necessary equipment, accessories and tools. This opens up broad possibilities for local-industry enterprises in reequipment of production. Gosplan USSR jointly with the USSR Central Statistical Administration adopted a decision to include machine-tool attachments fabricated for local-industry ministries by enterprises of other ministries in the production volume of goods of everyday use. This will help interest enterprises of union and union-republic subordination in the manufacture of fittings. But in some republics, due attention is not paid to development of capacities.

The creation and expansion of specialized capacities for the production of technological equipment for local industry constitute one of the important prerequisites of intensification of production and mechanization of labor. At the present time, the products list of this equipment is approved by Gosplan USSR and is provided with material resources. The decree of the CPSU Central Committee and the USSR Council of Ministers of 18 April 1985 specified targets for production volume of machine-tool attachments and equipment for local industry. Complex programs will have to be worked out for their fulfillment by gosplans and appropriate union-republic ministries, the realization of which will make it possible to expand capacities for their output.

The decree designates limits for high-efficiency equipment allocated for 1986-1990 for local-industry ministries--metalworking, woodworking and forging-pressing and printing equipment and equipment for sectors of light industry as well as sizes of its deliveries from the socialist countries. The RSFSR Ministry of Local Industry must in the shortest possible time provide for the issue of technical requirements and targets for development of equipment models to pertinent ministries and to establish control over their fabrication.

In the said decree, Gosplan USSR and councils of ministers of union republics are assigned the task in development of appropriate plans to provide for an

increase in the production of consumer goods at local-industry enterprises of no less than 1.3-fold in 1990 and 1.8-fold in the year 2000 compared to 1985.

For the purpose of ensuring such growth in the 12th Five-Year Plan, an increase is provided of state capital investment as well as funds from noncentral sources of capital-construction financing.

Despite significant production volumes of consumer goods, customers far from always find in the stores good-quality, good-looking, stylish clothing, footwear, furniture and household articles. As shown by the results of the 1984 and 1985 wholesale fairs, the population's demand is not being satisfied for many goods, especially the most elementary items, including toys, stainless-steel products, seedbeds, cast-iron ware and cast-iron enamelware, watering cans, broomcorn brooms, various items made of wood, metal or plastic and many others.

For the purpose of improving the satisfaction of the population's needs for these products in republics, krays and oblasts, a study is being made of market demand for them, and planning an increase of the volume of their production is to be based on this. As we know, in 1976 the Baltic republics, Belorussia and Moldavia created a coordinating center as a public service for centralized location of production of nondistributed products of everyday use in these republics. Representatives of gosplans, trade ministries, consumer unions, local-industry ministries and trade-union councils participate in the operation of the coordinating center.

The coordinating center has played a positive role in the solution of questions of rational location of goods production, strengthening of ties of local organs with union ministries, curtailment of duplication of production of simple goods in a region and expansion of the assortment of produced goods.

At the present time, the coordinating center has been transformed into a coordinating council, which has been given broader rights than before in regulating the output of a simple goods assortment.

The positive work experience of the coordinating center is being used at the present time in the Transcaucasus republics and Central Asia. Unfortunately, the question of coordination of simple goods production in the RSFSR and Ukrainian SSR is extremely slow in being solved; the operation of such organs for regions of the republics has not been organized up to the present time.

Frequently, local-industry ministries, when difficulties arise in the sale of some goods, bring up questions to superior organs of correction of plans for production, products lists and products to be sold while not adopting emergency and effective measures for improving the assortment and quality of goods affecting demand.

Particularly, in development of a high rate of production of goods by artistic crafts in local industry, for many years significant measures were not carried out in training cadres of specialists--wood, stone and bone carvers, embroiderers, painters of miniatures and decorative murals and other occupations. As a result, in addition to high-quality products, items of low-

artistic level have begun to be sold in recent years which are not up to the taste and esthetic requirements of the population and are not in accord with the corresponding traditions of folk decorative applied art. Examples can be seen in copper stamped items produced almost everywhere. They are lacking in idea content and are of low quality. Decorated fabrics are used in the production of a significant quantity of kerchiefs, triangular kerchiefs, scarves that are uninteresting in design or coloring and are not in keeping with modern style. In recent years, the artistic level of hand-woven rugs has deteriorated. Trade organizations accuse enterprises of delivering carpets of antiquated design and unattractive coloring.

All this has resulted in reduced demand for these and a number of other products from art-industry producers. For example, in 1985 compared to 1982, production output of hand-woven carpets was reduced at local-industry enterprises of the RSFSR by 27 percent, Moldavian SSR--by 18.4 percent and Turkmen SSR--by 25.7 percent and of items made from decorated fabrics in the RSFSR by 20 percent, in Uzbek SSR--by 48 percent and in Azerbaijan SSR--by 30 percent.

Considerable difficulties in product sales are being experienced by enterprises making musical instruments. In the years of the current 5-year plan, piano production was reduced by 16 percent and accordion, bayan and concertina production--by 50 percent. Local-industry ministries of the RSFSR, Ukrainian SSR and Belorussian SSR must work out and implement measures for raising the quality of musical instruments in demand by the population and expanding the production of specially ordered instruments for professional musicians, especially musical instruments of the symphonic group. Furthermore, demand for certain kinds of wind musical instruments so far has not been satisfied. In the case of wind musical instruments ordered by the USSR Ministry of Trade in the amount of 130,000 each annually, their production in 1985 amounts to 106,000 each. In the past 10 years it has increased only 6 percent. Orders of the USSR Ministry of Trade for plucked string instruments was satisfied in their entirety as to number, but the industry still does not satisfy the need for instruments of orchestras of folk musical instruments.

Scientific-research and planning-and-design institutes of the musical industry of the RSFSR Ministry of Local Industry do not devote the necessary attention to the sector's developmental prospects as well as to working out recommendations for an efficient load of enterprises' production capacities, their specialization and reequipment.

At a number of ministries with an excessively high share of the total production volume of light industry, goods of everyday and household use and other products needed by the population are being inadequately produced.

For example, at the Kazakh SSR Ministry of Local Industry, the light-industry share of products constitutes 67 percent of the total production of Uzbek SSR, at Uzbek SSR--73 percent, at Moldavian SSR--66 percent, at Azerbaijan SSR, Tajik SSR and Turkmen SSR--more than 80 percent. With saturation of the market with many light-industry goods, these ministries will find it difficult to reorganize production for new kinds of products.



In 1985, the local industries of union republics will produce 465.0 million rubles' worth of toys and Christmas-tree decorations, which will amount to 29 percent of their total output in the country. The toy requirements of trade organizations are not being satisfied in excess of 500 million rubles at the present time. Local industry could make a significant contribution to growth in the volume of toy output, especially such toys as are wooden, metal, ceramic, musical, plastic and others whose production is significantly concentrated in this sector.

But in a number of local-industry ministries, their output is insignificant. For example, in Uzbek SSR, toys are produced only in the amount of 1.6 million rubles, in Azerbaijan SSR--0.7 million rubles, in Tajik SSR--1.2 million rubles and in Turkmen SSR--0.3 million rubles, while in Kirghiz SSR, they are in the amount of 16.5 million rubles and in Georgian SSR--12.4 million rubles.

One of the important tasks of local industry involves is use of local raw materials and wastes of industrial and agricultural production for increasing the output of consumer goods.

Local-industry enterprises of the RSFSR, Ukrainian, Belorussian, Georgian, Latvian, Kirghiz and a number of other republics have done quite a bit of work in this direction. But in the Tajik, Armenian, Turkmen and Estonian union republics, the relative share of products made from local raw materials and wastes is significantly lower than the average for the sector. Ministries of these republics should activate operation of enterprises for broader utilization of local raw materials, secondary resources and wastes for the purpose of increasing production output.

In connection with the known limitedness of manpower resources, an important reserve of growth in the number of workers in local industry is employment of the labor of people who work at home. Their number in rural industry in 1984 constituted 17.2 percent of all industrial production personnel. The Belorussian SSR Ministry of Local Industry devotes a great deal of attention to the development of home-operated forms of labor--base enterprises and a wide-scale network of receiving centers has been created in each oblast. As a result, the number of persons working at home has grown to 26 percent of industrial production personnel. Persons working at home are widely drawn to local-industry enterprises of Latvian SSR (23 percent of the number of industrial production personnel), Kirghiz SSR (22 percent), Tajik SSR (29 percent) and Turkmen SSR (39 percent). At the same time, in Georgian SSR and Moldavian SSR, the share of the number of persons working at home for these ministries amounts respectively to only 5 and 8 percent. During the years of the current 5-year plan, it has not only not increased but has even been reduced. Labor at home is being inadequately used at enterprises of the local-industry ministries of Armenian SSR, Estonian SSR, Ukrainian SSR and Kazakh SSR and in local-industry administrations of Krasnoyarsk and Khabarovsk krayispolkoms, and of Volga, Perm, Chita and Chelyabinsk oblispolkoms in the RSFSR.

The decree of the CPSU Central Committee and the USSR Council of Ministers of 18 April 1985 permitted heads of local-industry enterprises and organizations

to hire for work at home persons wishing to do work at home in time free from their main work, regardless of the type of their work. At the same time, restrictions provided by legislation on engaging in two jobs do not apply to the said persons. All this presents possibilities for wide use of labor of persons working at home in the production of consumer goods for local industry.

However, in a number of cases, heads of enterprises actually experiencing a manpower shortage make no attempt to attract persons for working at home in the belief that under conditions of technical progress, employment of their labor is unfeasible and ineffective. At the same time, the experience of organizing homeworkers at a number of union and autonomous republics refutes such a point of view.

Cases have occurred in a number of republics where completely physically able people are hired as homeworkers, who can and should be working in production or in agriculture. There should be clearly specified what categories of persons can be hired for work at home and detailed lists of product manufacture and types of work for homeworkers should be worked out.

At many enterprises of local-industry ministries, capacities are loaded with manufacture of products that are uncharacteristic of local industry and do not come under consumer goods. At a number of local-industry ministries (RSFSR, Ukrainian SSR and others), direct contractual ties have been established with enterprises of the Ministry of Automotive Industry, the Ministry of Tractor and Agricultural Machine Building and other ministries for the production of plastic parts of fans, parts of nonferrous castings, carburetors, gasoline pumps and other items from raw and other materials supplied by the customer.

Such a practice is not economically justifiable. In the compilation of the 1986 plan and the 12th Five-Year Plan, local-industry ministries together with gosplans of union republics, Gosplan USSR and sectorial ministries have to attentively examine, as is specified by the decree of the CPSU Central Committee and the USSR Council of Ministers, questions of transmission by different sectorial ministries of production operations and enterprises producing products that do not correspond to local-industry production.

In the past 12 years, fixed industrial production capital of local-industry ministries has grown roughly fivefold.

During the current five-year plan, outlays on reequipment and modernization of existing enterprises have grown significantly. This has made it possible to increase the active portion of fixed industrial production capital to 41 percent compared to 35 percent in the past five-year plan. The highest indicators were attained in Estonian SSR (54 percent), Azerbaijan SSR (51 percent) and Latvian SSR (50 percent). At the same time, the share of the active portion of fixed production capital amounts to only 35-37 percent in Uzbek SSR, Kazakh SSR and Turkmen SSR.

During the 12th Five-Year Plan, local industry will primarily develop by means of reequipment and modernization of existing enterprises.

For the purpose of securing the designated growth of commodity production during the 12th Five-Year Plan while taking into account allotted capital investment, its relative share (per unit of production growth) will have to be reduced compared to the current five-year plan. This requires implementation of measures for raising efficiency in the use of capital investment, particularly reduction of construction time.

The experience of a number of republics shows that an excessive increase in the number of large construction projects results in extended freezing of funds and the concentration on them of a large portion of allocated limits to the developmental detriment of other local-industry enterprises.

At the same time, the experience of a number of union republics as well as of socialist countries shows the high level of effectiveness of small local-industry enterprises, the creation of which does not require large capital outlay or long construction periods. At small enterprises, the assortment of products is replaced more easily and no difficulties arise in acquisition of worker cadres. In Tajik SSR, wide-scale construction of small shops from simplified designs and modules and adaptation of facilities allotted by local soviets have made it possible in the past 9 years to boost return on capital by 33 percent, while it has dropped to 12 percent for the sector as a whole (for all the republics).

In Lithuanian SSR during the years of the 10th and 11th five-year plans, 16 small shops and sectors went into operation, the return on capital of which amounted to 3.47 rubles in 1984 as opposed to 2.57 rubles on the average for the republic ministry. Small enterprises are operating effectively in Ukrainian SSR, Latvian SSR and Estonian SSR.

In Uzbek SSR during the 11th Five-Year Plan, 14 small enterprises were built on the basis of modules, which with insignificant capital investment have made it possible to obtain a production growth of 7.5 million rubles, while the creation of 32 shops and affiliates secured a production growth in the amount of 19 million rubles.

During 1975-1984 in Kazakh SSR, 20 shops were set up in facilities allotted by ispolkoms of local soviets. These put out 16.4 million rubles' worth of products in 1984 with a capital expenditure of 1.76 million rubles. Through the means of above-plan capital investment, 26 shops and sectors were created, which in the past year put out products worth 14.5 million rubles.

In conformity with the decree of the CPSU Central Committee and the USSR Council of Ministers of 18 April 1985, the question is being raised at the present time of restricting construction of large enterprises in local industry. In the future, it is recommended to aim at locating new enterprises primarily in small and medium-size cities, worker settlements and in rural localities.

An economic experiment has been conducted in local industry since 1984 on expanding the rights of production associations (enterprises), administrations and ministries in planning, operational activity and increasing their responsibility for work results.



All enterprises of the Lithuanian SSR Ministry of Local Industry have been operating under the conditions of the experiment since 1 January 1984 and since 1 January 1985--the production associations and enterprises of 13 ministries of autonomous republics and administrations of the RSFSR Ministry of Local Industry and four administrations of the Ukrainian SSR Ministry of local Industry, which put out 15 percent of the production volume of all local industry.

As of 1 January 1986, associations and enterprises of all republic local-industry ministries will be included in the experiment.

The first results of work under the conditions of the economic experiment show that the responsibility of enterprise collectives has increased for fulfillment of the state plan and effective economic operation. By assessing expenditures against the results of operational activity, labor collectives determine the developmental prospects of production and outline plans for improvement of working and living conditions of enterprise personnel. For the Lithuanian SSR Ministry of Local Industry, the product sales plan for 1984 as a whole was fulfilled 102 percent and the production plan of consumer goods--104.4 percent. All the enterprises fulfilled their targets for the principal evaluative indicator--product sales, while taking into account fulfillment of contracts (orders) whereas in 1983 the plan failed to be fulfilled at 6 of 17 enterprises. The plan of production output from local raw materials and wastes was fulfilled 108.9 percent, the profit plan--109.4 percent. Labor productivity growth was 4.7 percent compared to 3.4 percent of actual average annual increase for 1981-1983. For the first time in many years production growth came from increased labor productivity (in 1983), 88 percent of production growth was due to this indicator. Positive results were also secured in 1985. Favorable changes are noticeable at local-industry enterprises of the RSFSR and Ukrainian SSR.

For the purpose of improving work organization of local-industry enterprises, more efficient utilization of manpower and material resources, expansion of the scale of modernization and reequipment of production and boosting the effectiveness of these measures, the study and dissemination of progressive experience are of major importance. This should be done first of all by head scientific-research and planning-and-design institutes.

The organization of such work produces a significant economic effect. For example, Gorkiy RosNIImestprom Institute carried out detailed work on the procedure and technology of replacing vegetable oil in the production of paint and varnish products with the use of petropolymer resins, tall oil and other substitutes. The institute together with personnel of local-industry ministries of the RSFSR, Ukrainian and Belorussian SSR and Gosplan USSR conducted several seminars at plans on introducing the use of substitutes. Consequently, their employment in 1984 resulted in savings of more than 30,000 tons of vegetable oil.

At the present time, scientific-technical cooperation is going on with GDR enterprises at the Moldavian SSR Ministry of Local Industry on the production of textile household footwear, high-quality rugs and others products and at

other republics on the production of musical instruments, household lamps, children's toys, baby carriages and bicycles. But whereas this work at the Moldavian SSR Ministry of Local Industry was organized and carefully thought out, at other local-industry ministries, it is carried out without the necessary enthusiasm, and few initiative proposals have been submitted. The cooperation of enterprises of the Estonian SSR Ministry of Local Industry with Finnish firms is being successfully carried out in construction and reequipment by means of credits from the USSR Foreign Trade Bank and other financing sources.

Each year local-industry ministries put the question to Gosplan USSR of setting aside foreign exchange for the purchase of machinery, machine tools, raw and other materials from capitalist countries, but proposals for sale and delivery of local-industry products at foreign markets are made infrequently. On improving quality, it would be possible to significantly increase export sales of musical instruments, folk-art industry items, ceramics and other products.

At the present time, working out of measures for the development of local industry during the 12th Five-Year Plan and for the longer terms is being completed. Determination in them of concrete directions of reequipment and intensification of production will make it possible to raise the efficiency of production of local-industry products and to significantly increase the output of mass demand items.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### COMMODITY TURNOVER FIGURES FOR 4TH QUARTER OF 1985

Moscow SOVETSKAYA TORGOVLYA in Russian 18 Jan 85 p 1

[Article: "USSR TsSU (Central Statistical Administration) Reports"]

[Text] The commodity turnover of state and cooperative trade in the 4th quarter of 1985 totaled 84.4 billion rubles, including 23 billion rubles in consumer cooperatives' turnover. The plan for retail commodity turnover volume in the 4th quarter of 1985 was fulfilled. In comparison with 1984, the retail commodity turnover in 1985 rose (in comparable prices) by 4.2 percent.

The growth of commodity turnover in 1985, compared to 1984 by union republics is characterized by the following data:

RSFSR	104.0
Ukrainian SSR	103.5
Belorussian SSR	105.0
Uzbek SSR	104.1
Kazakh SSR	104.7
Georgian SSR	103.5
Azerbaijan SSR	104.5
Lithuanian SSR	105.2
Moldavian SSR	104.5
Latvian SSR	104.3
Kirghiz SSR	104.9
Tajik SSR	105.3
Armenian SSR	105.6
Turkmen SSR	103.0
Estonian SSR	105.3

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CSO: 1827/90



CONSUMER GOODS PRODUCTION AND DISTRIBUTION

CITIES' RETAIL TRADE, PUBLIC CATERING FIGURES FOR 1984

Moscow VESTNIK STATISTIKI in Russian No 11, Oct 85, p 70

[See chart on following page]

[Text] Table 6. Retail Commodity Turnover of State and Cooperative Trade, Including Public Catering and the Number of Retail Trade and Public Catering Enterprises in 1984

	(1) Розничный товарооборот		(2)  Число предприятий розничной торговли	(3) Торговая площадь магазинов		(4)  Число предприятий общественного питания	5) Число мест в предприя- тиях общес- твенного питания	
	(6) всего, млн. руб.	(7) в расчете на душу населения, руб.		(8) всего, тыс. м <sup>2</sup>	(9) в расчете на 1000 человек населения, м <sup>2</sup>		(10) всего, тыс.	(11) в расчете на 1000 человек населения
USSR	318 097	1 149	704 007	51078,4	1 849	326 414	19822,6	717
including by cities:								
Alma-Ata	1 474	1 389	1 811	151,8	1 415	1 114	85,8	800
Ashkhabad	452	1 272	630	44,1	1 224	343	24,4	677
Baku	1 812	1 081	3 561	237,9	1 405	1 928	129,6	765
Vilnius	999	1 850	706	83,8	1 540	681	58,0	1 065
Gorki	1 864	1 324	1 967	216,8	1 550	1 383	124,1	887
Donetsk	1 590	1 447	1 746	192,1	1 740	1 100	85,0	770
Dnepropetrovsk	1 451	1 266	1 513	154,8	1 342	1 175	107,7	934
Dushanbe	707	1 273	953	83,2	1 484	667	45,2	805
Yerevan	1 357	1 192	2 109	149,2	1 300	1 343	91,3	795
Kazan	1 320	1 266	1 370	163,6	1 564	1 207	93,1	890
Kiev	3 965	1 026	3 053	371,1	1 503	2 335	223,7	909
Kishinev	1 177	1 891	917	100,3	1 586	742	60,8	962
Kuybyshev	1 485	1 166	1 620	188,7	1 501	1 279	97,4	775
Leningrad	7 898	1 629	6 859	689,2	1 416	4 893	473,5	973
Minsk	2 351	1 593	1 455	214,5	1 438	1 318	131,0	878
Moscow	21 814	2 533	10 153	1642,9	1 901	8 516	835,5	967
Novosibirsk	1 660	1 169	1 476	170,0	1 220	1 233	100,8	723
Omsk	1 380	1 246	1 402	163,7	1 478	1 329	102,9	929
Odessa	1 508	1 347	2 002	159,8	1 419	1 267	101,5	902
Perm	1 258	1 186	1 263	148,5	1 406	1 191	96,1	911
Riga	1 707	1 942	1 802	129,7	1 368	1 102	98,4	1 114
Sverdlovsk	1 805	1 349	1 656	179,0	1 377	1 382	117,6	905
Tallin	993	2 086	838	66,1	1 380	724	56,1	1 172
Tashkent	2 511	1 247	3 160	235,5	1 157	1 962	162,1	796
Tbilisi	1 587	1 377	2 046	165,0	1 421	1 406	95,0	818
Frunze	759	1 282	739	80,9	1 320	617	49,6	810
Kharkov	2 109	1 365	2 108	224,1	1 442	1 727	160,8	1 035
Chelyabinsk	1 364	1 221	1 386	171,7	1 567	1 219	96,3	879
Ufa	1 304	1 235	1 279	144,9	1 362	933	77,1	725

Key:

- |   |   |
|---|---|
| 1. Retail Commodity Turnover                      | 6. Total Millions of Rubles               |
| 2. Number of Retail Trade Enterprises             | 7. Per Capita, in Rubles                  |
| 3. Trade Area of Stores                           | 8. Total, Thousands of square meters      |
| 4. Number of Public Catering Enterprises          | 9. Per 10,000 Inhabitants, Square Meters  |
| 5. Number of Seats in Public Catering Enterprises | 10. Total, Thousands                      |
|   | 11. Per 10,000 Inhabitants, Square Meters |

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### AzSSR GOSPLAN CHAIRMAN ON NEED FOR STYLE IN GOODS PRODUCTION

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 18 Sep 85 p 2

[Article by A. Mutalibov, AzSSR Gosplan chairman, Baku: "Who Dictates Fashion?"]

[Text] Man does not live by bread alone. He also needs fashionable clothing and footwear, reliable refrigerators, radios, television sets, good quality furniture. During recent years in the republic, at the initiative of the Central Committee of the Azerbaijan Communist Party, much has been done to better provide the population with consumer goods. An overall republic program for increasing their production has been developed and is being implemented. During the four years of the five-year plan, 160 million rubles in capital investments have been used to retool and renovate enterprises which manufacture them.

These measures have made it possible to ensure priority development of branch group "B" as a whole. During the four years of the five-year plan, production volume has been increased by 21 percent. And all this while failing to completely satisfy popular demand for goods and services. There are still many colorless and unfashionable products in the shops.

Quality and, again, quality. This is our slogan today. These words, heard from the tribune of the April 1985 Plenum of the CPSU Central Committee, force each of us to look with the greatest exactingness at his own work. A basic change with regard to improving the product consumer qualities will not happen by itself. To think, to analyze, to search for new ways--today, no director and no worker can fail to do this.

Last year, enterprises of the Azerbaijan Ministry of Light Industry introduced production of 420 new clothing models, 320 footwear models and four types of fabric. Let's take a look at these new products.

We will begin with the clothing and, more precisely, with the output of the Sewing Factory imeni Volodarskiy, the largest in the branch. The level of its work exercises an appreciable influence on the indicators of the branch as a whole. And yet, 17 percent of the models manufactured by this factory do not meet modern requirements. The collective receives many excellent fabrics but makes unstylish clothing out of them.

Earlier, the factory's directors cited a lack of modern equipment. Now, there are many of the newest machines there. However, they are being used in an unsatisfactory way.

The reader might think that the factory has been given an unrealistic plan. But this is not so. Last year's plan for the factory was set at a lower level than that achieved in the previous year.

The Azerbaijan Ministry of Light Industry has an artistic and technical council, which is the lawmaking organ for the sewing and knitting industry. It operates extremely ineffectually. Artists and patternmakers take practically no part in its sessions and patterns under consideration are frequently evaluated only by wholesale base product managers.

Sewers frequently complain about a lack of attractive, stylish fabrics and, in this way, try to justify their shortcomings.

What is the matter? Perhaps we do not have personnel capable of solving these problems? By no means. We do have specialists. And these are first of all in the House of Clothing Models of the republic's Ministry of Light Industry, not to mention those who work directly in enterprises of the branch. The fact is that the service on which the artistic level of products depends does not occupy a leading position among other services. Every year, the House of Models proposes an average of 450 clothing models for production by the enterprises. Many interesting decisions are born here: The specialists of the house are not short on imagination and experience. However, many original models do not find their way to the production line. The Artistic and Technical Council does nothing to encourage an enterprise to actively introduce promising new products. This is all the more incomprehensible as the Baku House of Clothing Models exhibits at special shows, including some abroad.

It is certainly wrong that the House of Models does not make use of its right to dictate and implement fashion policy in the branch. Its authority is exclusively consultative (everything depends first of all on the desire to consult with it) or recommendatory. But why should the product assortment plan of the Factory imeni Volodarski, let us say, not be coordinated with the House of Models?

This factory, which does not have the right to develop women's clothing, is now nonetheless engaged in designing dresses and suits which do not always correspond to fashion trends.

About 21 million pairs of all possible kinds of footwear are produced in Azerbaijan. It should be recognized that they have become much better, of better quality, and that almost none of them lie around in the shops. Basically, the customer responds well to them although, unfortunately, there are sometimes annoying shortcomings. And, indeed, it was not very long ago that locally produced footwear did not enjoy popularity. What has happened?

The secret is simple. The republic's Ministry of Light Industry decided on a bold experiment. They entrusted the fate of the footwear assembly line to



those who are knowledgeable of this matter--to qualified designers, artists and coloring specialists. They reviewed the composition of the artistic and technical councils and established experimental production lines in the Baku House of Footwear Models, having substantially strengthened its technical and technological base. Now, test lots of footwear models developed here are tested for demand in the firm store, "Novinka." If the test is passed, the House of Models efficiently provides necessary equipment to a large specialized factory: Here, take this ready technology "on a platter" and introduce it. The time necessary for a new design to pass from the developmental stage to series production is recordbreaking short--one month.

Baku footwear producers have begun to devote much attention to fine points: An eye-catching firm trademark, a bright label, has appeared on firm products. It stands to reason that not everything is ideal for the footwear makers. Frankly speaking, they are only at the beginning of the road. However, it is not understandable why their good example is not being emulated by the sewers and knitters of the republic's same Ministry of Light Industry.

I am intentionally analyzing the situation with reference to our leading consumer goods production branches. However, this situation, to a large extent, is also characteristic for other branches manufacturing such products--light industry and the woodworking industry. The reason is everywhere one and the same--lack of attention to the interests and needs of the specialists. A situation has developed where the concerns of the designer, the constructor and specialists in artistic lines exist, as it were, on the periphery of the economic manager's attention. It is felt that they do not answer directly for the fate of the plan. All this is the result of the development over the years of an incorrect attitude toward such an important area. Incidentally, designers also earn less than their colleagues the engineers, who are concerned with equipment. Clearly ministry directors should give special consideration to questions of affording material incentives for the work of patternmakers, artists and designers and, thus, increasing their interest in the results of their work.

But, of course, material satisfaction alone is a small matter to an artist. He will do much more and much better if he feels that the enterprise director has a businesslike interest in his work. Here, the ability of the director and the chief engineer to orient themselves to fashion, to have a feeling for competition and demand, comes to the forefront. Unfortunately, it must be said that not all our managers possess these qualities.

For example, I happened to be at a fine cloth combine for one reason or another. I determined that there was not a single fashion magazine in the office of the chief engineer. And this enterprise produces fabrics for the sewing industry. And evidently the complaints of sewers and patternmakers about fading, unstylish designs and other shortcomings of the fabrics produced by the combine are not coincidental.



And, finally, SOTSIALISTICHESKAYA INDUSTRIYA has already raised the question of the necessity to implement inter-republic specialization in the production of consumer goods. We are talking about spreading their production out among Azerbaijan, Georgia, and Armenia. Serious planning work and coordinated efforts are needed to avoid duplicating one another in this small region.

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## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### APPEAL TO COMBAT COTTON TEXTILE SHORTAGE

Moscow PRAVDA in Russian 19 Dec 85 p 2

[Special correspondent A. Batygin report: "Knots in the Thread"]

[Text] Syktyvkar--Moscow--About 10 years ago I conducted an interview with V. Lakhtin, deputy USSR minister of light industry (he now works as deputy chairman of the country's Gosplan). The conversation dealt with the shortage of cotton cloth and products therefrom. Vladimir Petrovich described the ways of overcoming the shortage and toward the end performed a little trick: he took a napkin from a drawer of the desk, poured a glass of water on it, rubbed it vigorously in his hands, squeezed it--and it shone like new....

The napkin which Lakhtin had brought back from a business trip abroad was made of nonwoven materials. They became a part of our practice comparatively recently, but have won a firm "place in the sun". For they can successfully substitute for cotton in short supply and return it to the garment factories and the store counters.

The nonwoven materials have suited people. The range of their application is extensive: construction and automotive, footwear, furniture and printing industry. And, furthermore, not always very high properties are required of the raw material for the manufacture of "nonwoven"--short cotton, wool and flax fibers are put to use.

Unfortunately, the high river of fabric made from natural fibers is not flowing as intended. It is wrapping up machine tools and castings and wiping and polishing and covering trays. Very thick hawsers for the mooring of ships, conveyer belts and coverings are being made from cotton in short supply. Dozens of ministries and departments are using cotton cloth for industrial purposes, for the very procedure of the planning and allocation of resources does not preclude the consumption of cloth in mass demand in other sectors of industry.

Is it not time to switch from reproaches leveled at squanderers to specific measures and to free hundreds of millions of square meters of cotton?

In the draft Main Directions of the Country's Economic and Social Development the section dealing with the development of light industry records: "To increase the manufacture of... domestic nonwoven materials by a factor of 2.3". How is it proposed achieving such a significant growth?

Before setting off with these questions to the USSR Ministry of Light Industry, I visited one of the biggest enterprises of the sector in the country--the Syktyvkar Nonwoven Materials Factory. Its first stage was introduced in December 1979, the second in December 1980. Production is highly profitable: given a norm of 7 years, the expenditure on construction was recouped in 3 years. In the present 5-year plan more than 6 million square meters of synthetic fabric have been manufactured here, and the collective fulfilled the plan quota by 30 August, what is more.

It is said that the strongest weapon against a shortage is to create an abundance of commodities satisfying consumer demand. Of course, it is still a long way from an abundance, but much has been done at that factory in a comparatively short time. When the enterprise was only just spreading its wings, it was charged with manufacturing a single type of product--the base for a table oilcloth with a PVC cover. Today products of 18 types of merchandise are born in the shops: tablecloths, napkins, wall calendars, cordage, children's "Little Housewife" sets....

Usually in a store we captiously glance at the labels of something that has taken our fancy--whose "firm"? So that on the scale of the country such tiny pieces "swallow up" 10 million square meters of cotton cloth! The marking tape manufactured at the Syktyvkar Factory is more than sufficient for substituting fully for the "natural" labels not only for the garment workers but also in the footwear industry and textile fancy goods.

Factory Director V. Koryagin and the shop leaders described what economic maneuvers they are employing to increase manufacture of the product. After all, in the first year of the 12th Five-Year Plan the collective has to increase the manufacture of products considerably--by 45 million square meters.

The factory constantly, with sound partiality, "nicknames" the entire chain linking production with the consumer, seeks out potential, which is by no means "at the very bottom" here, and endeavors to achieve growth with the least outlays. This is being expressed primarily in equipment modernization, high production discipline and the precise organization of labor.

The factory has halved waste compared with the plan. An example of proprietorial gumption: hitherto a fringe 7 centimeters wide had to be cut from the edge of the roll and discarded. Remnants are inevitable, the plant argued, but do they necessarily have to be identified with the "loss" concept? The factory was able to make use of the "dead" waste also. Efficiency experts succeeded in reducing the width of the cut fringe to 3.5 centimeters, and it itself is put to the manufacture of cordage, twine and insulating braid.

Since 1981 the Syktyvkar people have been reusing effluent--also a considerable gain. They themselves set up the machinery for printing various drawings on the napkins. Next year they intend completing the construction of a consumer goods

shop--currently small sections are scattered all around the factory. Crumbs put together form considerable magnitudes.

A few years ago the factory management caught it stiffly for the overconsumption of one type of raw material. Technical measures made it possible to solve this question also.

"A substantial role," M. Korobova, secretary of the factory's party committee, said, "was performed by the psychological factor."

There are still people who perceive calls for a zealous approach as not a serious exercise--"saving matches," they say. The enterprise is combating such, if you will, views by various methods. To be seen in the shops in the brightest spots were placards of the type: "1 kilo of Dacron costs R2.30". Reckon it up for yourself--multiply: how much public property may escape through your fingers because of your blunders.

It is not fortuitous that in this 5-year plan the Syktyvkar people have been able to reduce the prime costs of a square meter of "nonwoven" from 33.9 to 17.7 kopecks and obtain R10 million of above-plan profit. So take care of the kopecks, and the millions!...

The production of nonwoven materials is by no means a step-daughter here. But the sector's enterprises could produce considerably more. There are still more than enough problems, particularly if one returns to the task set by the draft Main Directions--more than doubling the manufacture of nonwoven materials. Enthusiasm for its accomplishment alone is not enough.

Approximately 130 enterprises, shops and works engaged in the manufacture of "nonwoven" are operating in the country currently in the Ministry of Light Industry system alone. Of these, 19 are fully specialized, including the "giants": the Syktyvkar, Borislav (Lvov Oblast) and Kzyl-Orda and Pap (Namangan Oblast) factories. The construction of a number of enterprises is under way. By joint efforts in 1985 alone the sector manufactured almost 700 million square meters of cloth-type nonwoven materials (there is fleecy jersey fabric in addition).

Is this much or little? Much, but... little. It is true, this quantity of "nonwoven" has made it possible to release 400 million square meters of cotton cloth and return it to that for which it was directly intended. However, the final reckoning should be something else: as yet, according to the most modest estimates, almost four times as much natural fabric is going on various industrial needs.

...The office of M. Grushin, chief of the USSR Ministry of Light Industry Nonwoven Materials Industry Development Administration, seems cramped from the abundance of catalogues, sketches and product samples. The policy of the sector is being plotted and the most rational ways of tackling the tasks set by the draft Main Directions are being sought here.

Mikhail Ivanovich shows me a heavy album:



"This is the comprehensive program of the sector's development up to 1990, our guide to action. The main thing now is modernizing existing production and deploying highly efficient equipment at the operating enterprises. There is one further promising path, we believe--branches...."

Special mention should be made of these. The biggest national works--the Ivanov, Orekhov, Glukhov--are capable of building shops where the production of nonwoven materials could be set up. We have the workshops and the bricks, as they say: waste, equipment, personnel. Currently, for example, capacity is being created at the local factory in Shyaulay (Lithuanian SSR) where it will be possible to process waste and obtain products in the form of "nonwoven".

It is no secret that the technical level of domestic equipment for nonwoven production lags behind as yet. This is explained mainly by the inadequate provision of enterprises of the Ministry of Machine Building for Light and Food Industry with equipment, the protracted time taken to develop equipment and put it into series manufacture and the lack of modern equipment for physical-chemical methods of the production of nonwoven materials.

For the 11th Five-Year Plan the Ministry of Machine Building for Light and Food Industry allocated for the sector's needs half of the required equipment, and of low condition at that. The machinery which it manufactures is considerably inferior in terms of productivity to the best foreign models. The complaints about the machine builders are repeated from year to year, but matters are at a standstill.

It cannot be denied, the problem is multifaceted, and it cannot be solved by pressing just one button--there is a whole keyboard here.... Much depends on the chemical workers also. There is a shortage of binding material--acrylic dispersion--also. The USSR Ministry of Petroleum Refining and Petrochemical Industry supplies latexes. Their quality leaves much to be desired. "Miracle chemistry" is as yet manifestly failing to cope with its assignment in this sphere.

Nor can such a question as management of the production of nonwoven materials be sidestepped. It usually runs via the republic ministries of light industry, whose structure lacks subdivisions or specialists dealing with the development of nonwoven production. In addition, initially the enterprises were located unevenly, without regard for the supply of labor resources, raw material, means of transport, construction facilities and so forth. All this is now "echoing".

Of course, much will also depend on the aggressive position of the Ministry of Light Industry itself, where there is still much potential. True, it is hardly capable of "healing itself" only with its own resources.

...Knots are sometimes encountered in yarn and finished fabric--silent witnesses to low quality. There are "knots" in our question for the production workers and scientists and workers of the planning authorities and management. The sooner the "knots" are unraveled, the more zealous and economical operations at the enterprises will be.

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CSO: 1827/79

## CONSUMER GOODS PRODUCTION AND DISTRIBUTION

### DEFICIT OF TOASTERS, ROASTERS ADDRESSED

[Editorial Report] Moscow NEDEL'YA in Russian No 37, 9-15 September 1985 carries on page 7 a 1400-word article by Vladislav Starchevskiy entitled "Where Did the Toaster Get Stuck?." The article is followed by a response from the Economic Section of NEDEL'YA.

The author reports that mass production of toasters and roasters is still more than 2 years behind schedule. He states that only one factory, located in Moldavia, was producing the products 3 years ago even though consumer demand for the items was at a very high level.

Starchevskiy introduces comments from production officials. Deputy Minister of Electro-technological Production M.I. Zhuchkov blames poor trade on "weak propaganda and publicity for the appliances." He notes that "250,000 toasters and roasters appeared on the shelves in 1985." Deputy Chief of Glavkultbytorg of the USSR Trade Ministry V.S. Gudin explains that all appliances came from Moldavia and that this year, "the supply was to have been about 36,000 even though demand was for 152,000."

The article mentions a round-table discussion in the office of the Deputy Minister of Electro-technological Industry M.I. Zhuchkov. The deputy minister stated that from 85-90,000 toasters and roasters will be manufactured in Volgograd, Kaliningrad and other cities in 1986. However, the USSR Trade Ministry calculated that the demand would be more than 150,000. Zhuchkov noted that with more precise market demands and increased output, deliveries will be improved significantly in 1986.

In conclusion, NEDEL'YA responds negatively to the delayed production of toasters and roasters. The Economic Section of NEDEL'YA blames the USSR Trade Ministry for not meeting consumer demand. However, it assures the public that it will be informed as to what the industry "is (or is not) doing" in the area of toaster, roaster production."

CSO: 1827/88-P



## HOUSING AND PERSONAL SERVICES

### BUDGET OF 'AVERAGE' ENGLISH, SOVIET FAMILY COMPARED

Kiev PRAVDA UKRAINY in Russian 24 Nov 85 p 4

[Article by Ya. Oleynichenko: "How Two Families Live: Let's Figure It Out"]

[Text] The topic of today's article -- the family budget -- was suggested by the responses of readers to the items in the series "Let's Figure It Out." The cost of housing, food prices, the prices of many commodities and services in our country and in the capitalist countries -- those comparisons that were made by the newspaper -- do not provide a complete idea without a simultaneous comparison of the average earnings, because in the West it is higher for many categories of workers. That fact was mentioned by P. Novichenko from Kharkov, the Dmitruk family from Donetsk Oblast, and S. Bagriychuk from Lvov.

In order to answer the question that they have raised, let us become acquainted with two families whose budget is considered by statistics to be "average."

Nikolay Vinnitskiy works as a lathe operator in a machine-assembly shop in the Voroshilovgradteplovoy Production Association. His monthly earnings are 185-200 rubles. The Vinnitskiy family consists of four persons: Nikolay; his wife Nina, a finisher at the Teplovostroy Trust; and two children who attend school. They live in a three-room separate apartment, as do many of their coworkers. Nikolay's take-home pay every month is an average of 175 rubles: with wages of 190 rubles, 19.90 rubles are withheld as income tax (in our country that tax constitutes from 2.2 to 13 percent of earnings). Rent on the apartment is an additional 2 percent, or with all utilities included, 3 percent. After everything has been paid, the family has at its disposal approximately 160 rubles from Nikolay's wages (for the time being, we are not considering Nina's earnings).

During the 11th Five-Year Plan:

"Real income per capita of the population increased by 11 percent. The average monthly earnings of workers and employees increased by 13 percent and reached 190 rubles in

1985. Homes with a total area of more than 550 million square meters were activated, thus making it possible to improve the housing conditions for more than 50 million persons" (From the draft of the Basic Directions for the Economic and Social Development of the USSR in 1986-1990 and for the Period Until the Year 2000).

For London lathe operator John Smith, the family composition is the same (his family was recently mentioned in the British press). As a highly trained specialist John is paid more than a worker on the conveyor line, an average clerk, or a school teacher. He is paid 160 pounds sterling a week, that is, approximately 690 pounds a month. (According to the official rate of exchange, 100 pounds sterling are equal to 111.49 rubles.) What are these earnings spent on? Let's analyze everything in sequence, using the figures and other information provided by the British press -- the ECONOMIST magazine, and the FINANCIAL TIMES, DAILY MAIL, GUARDIAN, and MORNING STAR newspapers.

According to that information, 35 percent of the earnings of the "average" worker is taken away by income and local taxes and all kinds of deductions. Thus, John Smith's take-home pay proves to be 440 pounds sterling. And he has to pay half of that amount -- yes, half! -- for rent on his apartment, which is an extremely modest one at that, because in the center of London a three-room apartment costs at least 800 pounds a month.

Let's continue our comparison. Every month the Smiths pay: for electricity, 20 pounds; telephone, 30; water, 15; gas, 8; and heating, 15, or in the cold months, 35 pounds sterling. What remains, then? Slightly more than 100 pounds, or approximately one-sixth of John's nominal earnings. With that money he has to buy food, the items he needs in his everyday life, and clothing.

It would seem to be appropriate to cite here certain prices of those articles: white bread, 1.3 pounds a kilogram; meat, 4 pounds; sugar, one pound; butter, 2.5; cheese, 2; potatoes, 50 pence. A dinner as we understand it (appetizer, soup, main dish, dessert), to pay for which one ruble will be more than sufficient for Nikolay, will cost John in an inexpensive cafe at least 4 pounds. Therefore, in the Smiths' diet, as for hundreds of thousands of other British families, the food items that occupy a larger place are oatmeal, corn flakes, fried bread, and milk.

It is scarcely necessary to remind our readers who much the Vinnitskiy family members pay, as all of us do, for the use of urban public transportation -- that amount is a very insignificant part of their budget. But for the Smiths this is a major expense, because fare, for example, on a bus is from 15 pence (for a two-stop ride) to 1.2 pounds; and for a subway ride from one end of the system to the other is 3 pounds sterling.

If you ask the Vinnitskiys how many times a year they go to the theater, to movies, and concerts, they will answer, as most of us do, "Regularly. You don't expect us to count the number of times, do you?" But for the Smiths the answer is precise: once a year. Because one ticket to attend a play costs 10 pounds; an opera ticket, 35 pounds; and a movie ticket, 3 pounds. And a

year's subscription to the TIMES newspaper costs the Smiths the same amount (62 pounds) that the Vinnitskiys pay for a subscription to PRAVDA and LITERATURNAYA GAZETA newspapers and INOSTRANNAYA LITERATURA, ZDOROVYE, KRESYANKA, and NOVOYE VREMYA magazines, taken together.

The Smiths have absolutely no concept of the special-rate and free trip tickets to sanatoriums, rest homes, tourist centers, and Young Pioneer camps that the Vinnitskiys enjoy. For the Smiths, recreation is an inadmissible luxury: the daily rate for a room in a medium-class hotel is 33 pounds sterling.

Now, then, if one adds up all the forced expenses payable by the family of the highly paid British worker, the bottom line will show a deficit. The only way out is to decide what they can do without. The Smiths live on hope: maybe they can find a job for Patricia, and then the family's income will increase by one-third. But inasmuch as that dream of theirs has not yet come true, we have not taken into consideration Nina's earnings either, which differ very little from those of Nikolay.

Frequently the bourgeois mass information media resort to computations of the type that deals with how many pairs of blue jeans or how many blouses one can buy for the same "average" earnings in England and in Russia. It turns out that, with blue jeans costing 20 pounds or 100 rubles, there is a difference of practically 17 times. So the conclusion is juggled to show how graphic the difference in the standard of living is. But let's turn the question completely around and ask how many pairs of blue jeans must the Britisher refrain from buying in order to pay for his housing, electric lighting, utilities, and food? Because he has to do this every day, unlike the purchasing of trousers with a fancy label, even of the most stylist cut.

We do not conceal the fact that we still have a shortage of high-quality commodities, and we not have sufficient quantities of everything. But the necessities of life, the things that one cannot live without, are accessible to everyone. And the prospects are clear. The task that has been posed for the period until the year 2000 is:

"to guarantee the further raising of the standard of living of all segments and social groups of the population, to bring about profound changes in the sphere of labor and people's working conditions.

"To carry out a broad social program. To increase the real income per capita of population by a factor of 1.6-1.8. To increase the average earnings of workers and employees by 13-15 percent, or to 215-220 rubles" (From the draft of the Basic Directions).

Something else that we have not dealt with in our computations -- simply because there is nothing that this indicator can be compared with -- is the payments and benefits from the social consumption funds. During the current five-year plan they

"increased by 25 percent and reached in 1985, per capita of population, approximately 530 rubles" (From the draft of the Basic Directions).

It turns out that every member of the Vinnitskiy family, as it is, on the average, for any other family member, has at his disposal, in addition to his monthly budget, almost 45 rubles more. And in the long-term view it is planned

"to increase the social production funds by 20-23 percent, and to use them efficiently to resolve the social and economic task" (From the draft of the Basic Directions).

We have considered the economic aspect of the life of the two "average" families. But that concept itself -- the "average" family -- is nonidentical. Because behind that concept is, on the one hand, the steadily rising standard of living of the entire population, and, on the other hand, the increasingly polar contrasts between those people who buy watches with diamond settings for their cats and dogs and those who sleep on hot-air grates in the streets and forage for food in garbage heaps, covering their nakedness with the rags of designer blue jeans.

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CSO: 1827/72



## HOUSING AND PERSONAL SERVICES

### LEGAL EXPERT DISCUSSES LIVING SPACE REGULATIONS

Moscow TRUD in Russian 18 Dec 85 p 4

[Response to a letter to the editor: "What Happens To A Vacated Room?"]

[Text] There are three people in my family and we live in a communal apartment. The apartment is a room of 27 square meters. Currently, I am not scheduled for any improvements in my living conditions, inasmuch as we have nine square meters per individual in our apartment. Can we request an additional room in our apartment if it should become vacated? What are the current regulations overall covering such a situation? G. Zabrodin, Moscow.

Article 46 of the RSFSR Living Code stipulates that if a vacancy develops in an apartment which is not partitioned off from the one already occupied, the vacancy can be filled by the other occupant. If a vacancy, which is partitioned off, develops in an apartment where several renters live, such a vacancy must be offered to those citizens living there who are in need of an improvement in their living conditions; if such people do not exist, then the vacancy is offered to those having less living space than that stipulated for one person (here a consideration of the right for supplemental living space is made).

It needs to be mentioned here that the legislation of a union republic can envision other situations. For example, Article 48 of the Living Code of the Lithuanian SSR stipulates under such conditions the transfer of the vacated room only to those scheduled for an improvement in living conditions, and only to those who can be identified as such.

The standard for utilization of living space is set by the living codes of the union republics; for this reason, living space can vary in the different republics. For instance, in the Ukrainian SSR, it is 13.65 square meters; in the RSFSR, it is 12 square meters; and in the Uzbek SSR, it is 10 square meters. However, in no case can it be less than 9 square meters per person (Article 22 of the Basics of Living Space Legislation).

One should not confuse the standard for the utilization of living space with the standard which provides the basis for being accepted on the list of those people needing an improvement in their living conditions. As a rule,

these people are citizens identified as having living space less than the level set by: the Council of Ministers of the autonomous republic, the ispolkom of the kray and oblast, and the Moscow and Leningrad City Councils of National Deputies. In other words, the size of the registered standard depends on the amount of living space guaranteed in a given city or other populated area and so may not coincide with the standard of utilization of living space set by the living code of a given union republic.

Thus, for example, the minimal registered standard in Moscow is 5 square meters per person.

We will explain this with an example from a judicial case, inasmuch as it is the court which decides such issues.

In the rayon people's court in Kostroma, citizeness A went to court with the request that a vacated room of 19.4 square meters be turned over to her. There was no one in the apartment on the list for an improvement in his living conditions. As the basis of her suit, the plaintiff made the point that she occupied with her two children a space of 29.9 square meters in this apartment, i.e., each person had about 10 square meters of space. Article 38 of the RSFSR Living Code calls for a standard of 12 square meters per person.

The court refused to grant this extra room for the family, inasmuch as the RSFSR Supreme Court Plenum of 26 December 1984 explained that the suit to transfer to the family the utilization of the vacated living space can only be approved if the living space occupied by the renter and the vacated space, which is being requested, will in sum not exceed the living space set by Article 38 of the RSFSR Living Code, i.e., 12 square meters per person. Exceptions to this rule are only made in those cases where the renter or members of his family are entitled to supplemental living space, or when such an excess is insignificant.

In the cited example, the people's court noted in its decision that the transfer of the extra 19.4 square meters to citizeness A would result in a considerable excess of the set standard, inasmuch as three people would have not 36 square meters (12x3), but 49.3 square meters of living space, i.e., 13.3 square meters more. Neither the plaintiff, nor any of the members of her family have any right to the additional space.

From the above, it should follow that your family, Comrade Zabrodin, should be offered the vacated room if its area does not exceed 8-10 square meters, inasmuch as in this case the total space would not exceed the RSFSR standard for living space (12 square meters x 3 = 36 square meters).

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## HOUSING AND PERSONAL SERVICES

### BETTERING PERSONAL SERVICES TO UPGRADE ECONOMIC NORM

Moscow AGITATOR in Russian No 23, Dec 85 pp 15-20

[Article by Doctor of Economic Sciences Professor G. Sarkisyants: "Raising the Welfare of the Soviet People: Methodological Advice"; passages rendered in all capital letters printed in boldface in source; material enclosed in slant-lines printed in italics in source]

[Text] Drafts of the new version of the Programs of the CPSU and Fundamental Areas of Economic and Social Development of the USSR for 1986-90 and for the period to the year 2000 are new evidence of the concern of the party for the welfare of the Soviet people, the steady increase in their standard of living and the importance of the socialist way of life.

In the course of realizing the third CPSU Program, adopted in 1961, much has been done to improve the living and working conditions of the Soviet people. The source of the growth in the welfare of the people is that national income has increased by almost four times: from 145 billion rubles in 1960 to 570 billion rubles in 1984. Almost three quarters of its growth went directly toward increasing national well-being. Over the quarter century, more than 2.63 billion square meters of total living space was placed in service, which allowed an improvement in the living conditions of almost 267 million people. Fundamental advances occurred in the areas of labor, material well-being and public consumption and in education, health care and social security.

Growth in the welfare of the people is a lofty aim and a key issue of party policy. This is the basic sense of the CPSU policy being realized today of accelerating the socio-economic development of the country. It is directed toward achieving, according to the Leninist formula, *"/full/ well-being and free /all-round/ development of /all/ members of society."*

Elucidating this theme of the new version of the CPSU Program, it is necessary to focus attention on the fact that the prospects of raising the welfare of the Soviet people in the forthcoming period is not reduced to just individual, even if most important, aspects of the life of the people. THE CPSU PROCEEDS FROM THE FACT THAT A PROGRAM OF FURTHER RAISING THE WELFARE OF THE PEOPLE SHOULD BE, IN THE FIRST PLACE, ALL-EMBRACING AND ENCOMPASS ALL AREAS OF THE LIFE OF THE PEOPLE; SECONDLY, IT SHOULD BE DIRECTED TOWARD THE FULLER REALIZATION OF THE PRINCIPLE OF SOCIAL EQUITY AND PROVIDE FOR RAISING THE STANDARD

OF LIVING OF ALL STRATA OF THE POPULATION AND ALL SOCIAL GROUPS; AND THIRDLY, IT SHOULD ASSIST THE FURTHER STRENGTHENING OF THE ECONOMIC SYSTEM, STIMULATING THE RAPID DEVELOPMENT OF SOCIAL PRODUCTION.

Currently, the orientation of the plans and of all practical activity for the accomplishment of social tasks and raising national welfare is being strengthened. Unremitting concern for resolving social issues of labor, everyday life, culture and of satisfying the interests and needs of the people is considered by the CPSU to be a maxim of the activity of all state and economic organs and social organizations. This was reflected in the draft of the Fundamental Areas, and should be embodied in the five-year and yearly plans and in everyday work at all levels of the national economy.

As emphasized in the draft of the new version of the Party Program, the CPSU sets the task OF RAISING THE WELFARE OF THE SOVIET PEOPLE TO A QUALITATIVELY NEW LEVEL and to ensure that level and structure of material consumption and social and cultural benefits that will to the greatest extent meet the aims of forming a harmoniously developed and spiritually rich individual and creating the necessary conditions for the fullest expression of the capabilities, gifts and talents of the Soviet people in the interests of society.

IN THE COMING FIVE YEARS IT IS PROJECTED THAT, TO SATISFY THE NEEDS OF THE PEOPLE, APPROXIMATELY TWICE AS MANY RESOURCES WILL BE APPLIED AS IN THE PRECEDING 15 YEARS AND REAL PER-CAPITA INCOME WILL INCREASE BY 1.6-1.8 TIMES.

Paramount significance is assigned in party social policy to DEEP REFORMS IN LABOR, A KEY AREA IN THE LIFE OF THE PEOPLE. With the growth of the material welfare and cultural level of the people grow the demands of the Soviet person toward working conditions, its creative content and opportunities for the full utilization of the capabilities of every person. The reasons that people change their place of employment in a sense testify to this. As research data demonstrates, one of the chief reasons is the desire for more creative work with more substance. In those areas of production where heavy and monotonous manual labor predominates, even additional material incentives with the aim of attracting workers often do not have the required impact.

Only by strengthening the creative content and collectivist character of labor, raising its culture and encouraging to the utmost highly skilled and highly productive work for the benefit of society can labor be gradually transformed into a primary necessity of life for every Soviet person.

Therefore, MAJOR SCIENTIFIC AND TECHNICAL, ECONOMIC AND SOCIAL MEASURES ENSURING THE CREATION OF ALL THE NECESSARY CONDITIONS FOR HIGHLY PRODUCTIVE AND CREATIVE LABOR FOR EVERY WORKER ARE PLANNED. Consequently, a policy will be carried out of significantly decreasing manual labor, and reducing and eventually eliminating monotonous, heavy physical and low-skilled labor, ensuring healthy sanitary and hygienic conditions and that incorporate modern safety technology, and allow the elimination of production injuries and professional illnesses.



It is precisely to this that the realization of the overall program of reducing manual labor in the upcoming five years should be subordinated. As a result of its realization, working conditions will radically improve in all industries of the national economy and the share of manual labor in the area of production will decrease to 15-20 percent by the year 2000.

The intensification and growth of the efficiency of production and the raising of labor productivity will in the future provide new opportunities for shortening the workday and lengthening the duration of paid vacations for workers.

Based on the transformations of labor and the raising of its productivity, A STEADY GROWTH IN THE REAL INCOME OF THE POPULATION IN ACCORDANCE WITH THE ECONOMIC OPPORTUNITIES OF THE COUNTRY will be ensured. It can be accomplished only to the extent of the improvement in the results of labor and the accumulation of goods and financial resources. In conducting discussions in labor collectives, it should be elucidated to people that this requirement should lie at the root of measures taken both on the scale of the entire national economy, and of every association and enterprise for the further increase in the income of workers. In this regard it will be necessary to RAISE THE EFFICIENCY OF LABOR REMUNERATION AND THE WHOLE SYSTEM OF DISTRIBUTION AS AN ACTIVE CONTROL FACTOR IN THE DEVELOPMENT OF PRODUCTION AND THE AFFIRMATION OF SOCIAL EQUITY. It is necessary to create a system of incentives for both collectives and individual workers that would sharply increase the prestige of conscientious, highly productive labor. It is also necessary to strengthen the material and moral liability for negligence on the job.

The party attaches significance in principle to THE DECISIVE ERADICATION OF ALL FORMS OF UNEARNED INCOME, any antisocial forms of the redistribution of income and benefits, parasitism and speculation. The distribution mechanism, as noted in the draft of the new version of the CPSU Program, should be a reliable barrier to anyone who contradicts the norms and principles of socialist society.

THE FUNDAMENTAL SOURCE OF WORKERS' INCOME IN THE FORESEEABLE FUTURE REMAINS WAGES FOR LABOR. The average monthly wage of workers and employees will grow to 215-220 rubles by 1990. Based on the growth in the production efficiency of kolkhozes, and first and foremost the productivity of labor, a more rapid rate of increase in the wages of kolkhoz farmers is projected; in the 12th Five-Year Plan they are projected to increase by 18-20 percent, while the wages of workers and employees will increase by 13-15 percent.

In discussions and speeches it should be especially stressed that AN IMMUTABLE PRINCIPLE OF MANAGEMENT WAS AND REMAINS THAT THE RATE OF GROWTH OF PRODUCTIVITY EXCEEDS THE RATE OF WAGE GROWTH. The need for its unswerving observance in all industries of the national economy and in all enterprises is growing today, since this is an indispensable condition of growth in production efficiency and, on this basis, in raising the standard of living of the workers.

Much must be done to IMPROVE THE SYSTEM OF WAGES. It should fully take into account the quantity and quality of labor and its conditions and results and should stimulate the raising of workers' qualifications, labor productivity,

the improvement of production quality and the conservation of all forms of resources. To the extent that social wealth grows, the minimum wage will be increased and the policy of lowering taxes on the population will be continued. The chief way of raising the wages of low-paid workers is to reduce low-skilled labor, raise qualifications, combine professions and improve work results. To the extent that the necessary conditions are created and resources are procured at enterprises of production industries, the raising of the basic wage rates and salaries of workers and employees will be accomplished.

The raising of the wages of teachers and other workers in national education, begun on 1 September 1984, will be completed in the 12th Five-Year Plan. As a result, the wages of 6 million people will grow on the average by 30-35 percent. The gradual realization of measures to increase the wages of health-care workers will begin.

Along with payments for labor, THE RAPID GROWTH AND IMPROVEMENT OF THE DISTRIBUTION OF SOCIAL CONSUMPTION FUNDS will be continued. It is mentioned in the draft of the new version of the CPSU Program that they are called upon to play an ever greater role in the development of the statewide systems of free public education, health care and social security and in the improvement of workers' leisure conditions. The growth of social consumption funds allows an easing of the differences, objectively inevitable under socialism, in the material well-being of individual citizens, families and social groups and an equalizing of the socio-economic and cultural conditions for raising children, and makes possible the liquidation of a situation where certain population groups are inadequately provided for. The size of social consumption funds is projected to increase by 20-23 percent in the 12th Five-Year Plan.

In the interests of raising the real incomes of the population, a RETAIL PRICE POLICY will be conducted. The fundamental areas are envisaged as improving the retail price and rate system to more fully reflect socially necessary expenditures, quality and the consumer characteristics of products. It is intended to ensure an economically- and socially-based correlation of prices for various groups of goods, to lower prices for certain goods to the extent of increases in the efficiency of their production, the lowering of their costs and the accumulation of necessary trade and financial resources. The strict state and social monitoring of the observance of pricing discipline has great significance.

A task of paramount importance is THE FULL SATISFACTION OF THE GROWING DEMAND OF THE POPULATION FOR HIGH-QUALITY AND DIVERSE CONSUMER GOODS. The volume of retail trade is planned to increase by 18-22 percent in the 12th Five-Year Plan, and by approximately 1.8 times by the year 2000.

The accomplishment of this task will be ensured, first and foremost, by putting into effect the Food Products Program and the Overall Program for the Development of Consumer Goods and Services. They are directed toward decisively improving the provision of food products and industrial goods and services to the public, raising the level of their consumption and achieving or significantly approximating scientifically-based norms.

It is expedient to remind the listeners that in accordance with the USSR Food Products Program the average annual per-capita consumption of basic food products by 1990 will be approximately as follows: meat and meat products--70 kilograms, fish and fish products--19, milk and milk products--330-340, 260-266 eggs, vegetable oil--13.2 kilograms, vegetables, melons and gourds--126-135, fruits and berries--66-70, potatoes--110, sugar--45.5 and bread products--135 kilograms.

An increase in the rate of growth and production efficiency at kolkhozes, sovkhoses and agricultural associations, making up the basis of Soviet agriculture, plays a decisive role in the further improvement of the provision of food products to the population. It will also be necessary to utilize more fully the possibilities of the subsidiary farms of enterprises and citizens, collective gardening and horticulture to reinforce the country's food products resources.

The realization of the Overall Program for the Development of Consumer Goods and Services for 1986-2000 will be a major contribution to the accomplishment of the task of raising the welfare of the Soviet people. A detailed exposition of this program and methodological advice for discussions and speeches on it were published in Nos 21 and 22 of this journal. We reiterate only that the production volume of non-food goods in the 12th Five-Year Plan is projected to increase by no less than 1.3 times, and by 1.8-1.9 times by the year 2000.

An even more RAPID PACE IS PLANNED FOR THE DEVELOPMENT OF PUBLIC SERVICES, the economic and social significance of which will grow even more in the future. It is necessary to elucidate for the listeners what makes this possible. As shown by analysis, public demand for services is still satisfied to a lesser degree than many material benefits. A diverse and effectively operating system of paid services, however, should play an even greater role in improving the living conditions of the Soviet people, their spiritual and physical development and more rational use of free time. Also of no small importance is the economic aspect of the matter: a significant growth in the volume of paid public services (it is projected that they will increase by 2.1-2.3 times by the year 2000, including 1.3-1.4 times in the 12th Five-Year Plan) will aid the resolution of the problem of balancing incomes and commodity resources.

Also projected in the draft of the new version of the CPSU Program is the realization of major measures to create modern highly-developed services. An increase in the volume, an extension of the selection and a raising of the quality of services will permit the fuller satisfaction of growing public inquiries for diverse forms of housing and utilities, transportation services, amenities and social and cultural services, the easing of domestic labor, the creation of better conditions for relaxation, the substantive use of free time and valuable leisure time. Services in rural areas and newly-assimilated regions will be rapidly developed.

The party considers ACCELERATING THE RESOLUTION OF THE HOUSING PROBLEM, SO THAT PRACTICALLY EVERY SOVIET FAMILY HAS A SEPARATE APARTMENT OR AN INDIVIDUAL HOME BY THE YEAR 2000, as a matter of especial social significance. It is projected that housing with a total area of no less than two billion square



meters will be placed in service over the next fifteen years for this purpose, including 565-570 million square meters in the 12th Five-Year Plan.

Priority allocation of state capital investments on housing and social and cultural construction in newly-assimilated regions, especially Siberia, the North and the Far East, will be provided for in the upcoming five years. A significant expansion of the opportunity for improving the housing and living conditions of workers is planned by using housing construction funds and social and cultural measures formulated in accordance with the labor contribution of the collectives of associations, enterprises and organizations.

Along with large-scale housing construction using state resources, the broader development of cooperative and individual construction is envisaged. Opportunities will increase for entering into housing-construction cooperatives and residential structures by using the public's own funds, state credit and enterprise funds. The solution of the housing problem will be assisted by reconstruction, renovation and increasing the preservation of the housing stock and strengthening the monitoring of its distribution.

It is necessary to emphasize in discussions that in an increase in the volume of housing construction, especial attention will be devoted to quality, raising conformity and improving planning and the technical equipping of apartments and houses. Already in 1984, 91 percent of all living areas of urban socialized housing stock was equipped with running water, 89 percent with sewerage, 88.4 with central heating, 71 with hot water and 82 with baths. Of the total number of gas-equipped apartments, more than a third are in rural areas. In the 12th Five-Year Plan, the provision of all communal services to the rural population will be increased.

More demands will be made of architecture, aesthetic design and civic improvements of urban and rural settlements. The practice of applying public resources for improving living, cultural and personal services, leisure time, tourism and other purposes will be expanded.

The party assigns paramount significance to STRENGTHENING THE HEALTH OF THE SOVIET PEOPLE and increasing the duration of their active lives. Much has been done in this area in our country, the Soviet healthcare system has become one of the leading ones in the world and the right of citizens to health care is in fact assured. The task is now TO ACHIEVE THE UNIVERSAL AND FULL SATISFACTION OF THE NEEDS OF CITY AND TOWN DWELLERS FOR ALL FORMS OF HIGHLY QUALIFIED MEDICAL SERVICE AND THE CARDINAL RAISING OF ITS QUALITY. A gradual transition to the annual clinical examination of the entire population is projected. The further development of the material and technical basis of health care will be realized--networks of institutions to care for the health of mother and child, clinics, hospitals and sanatoria and their equipping with modern medical apparatus. The full satisfaction of public needs for medicines, medicinal substances and sanitary and hygienic materials is envisaged.

In the 12th Five-Year Plan, it is planned to place in service hospitals with 350,000 beds and out-patient clinics with a capacity of 900,000 visits per shift. The construction of central regional hospitals and clinics is continuing, which allows an improvement in medical service to the population of



rural areas. The reconstruction of operating medical institutions will be carried out.

The importance of PHYSICAL EDUCATION AND SPORTS AND THEIR INCORPORATION INTO EVERYDAY LIFE is growing. The matter must be arranged, mentions the draft of the new version of the CPSU Program, so that every person is concerned with his physical improvement from childhood on, possesses knowledge in areas of hygiene and medical care and leads a healthy way of life.

STRENGTHENING CONCERN FOR THE FAMILY has great importance for the state. Here is formed the basis of a person's character and his attitudes toward work and ideological, moral and cultural values. Our society is therefore vitally interested in a stable, spiritually and morally healthy family. It is planned to broaden measures aimed at improving the material, housing and day-to-day living conditions of young families and families with many children. It is necessary to broaden the interaction of the family, the school and the labor collective and to increase the responsibility of parents for the upbringing of children.

Especial attention will be devoted to THE FURTHER IMPROVEMENT OF THE SITUATION OF MOTHERS and the creation of more favorable conditions for combining motherhood with active participation in labor and social life. Diverse forms of labor employment for women will be developed and flexible work schedules and partial workdays will be more broadly applied at their request. A phased increase, by region of the country, in the duration of partially paid leave for mothers caring for a child is projected. The network of specialized clinics for pregnant women and sanatoria, rest homes and guest houses for parents with children will be expanded.

The CPSU will show constant concern in the future for THE CREATION OF THE NECESSARY CONDITIONS FOR BRINGING UP THE RISING GENERATION. The public need for children's preschool establishments will be fully met in the near future. The network of Pioneer, labor and sport camps, Pioneer centers and scientific and technical and artistic centers and stations will be expanded. The level of expenditures for nourishment at preschool establishments and in professional and technical educational institutions will be increased.

The party emphasizes the necessity of significantly STRENGTHENING ATTENTION TO THE SOCIAL PROBLEMS OF YOUTH. This is first and foremost the full satisfaction of their inquiries in the areas of labor and everyday life, education and culture, professional and service growth and the rational use of free time.

The party will show constant concern in the future for IMPROVING THE MATERIAL WELL-BEING OF THE VETERANS OF LABOR AND WAR, ELDERLY CITIZENS, INVALIDS AND THE FAMILIES OF FALLEN SOLDIERS and for their social, medical and cultural services. There were approximately 55 million retired people in our country in 1985, and their number will grow in the future.

To improve the material well-being of retired people, it is projected that the size of pensions, first and foremost the minimum and previously-fixed pensions, will be periodically increased. The pension benefits of kolkhoz farmers

will be brought gradually closer to the level established for workers and employees. The network of boarding homes for the aged and invalid will be further developed, and the level of upkeep in them will be improved. At the same time, services to elderly citizens right in their homes, especially those alone, will be expanded. The party considers the expansion of opportunities for labor veterans that possess great experience to participate in labor activity where feasible, in social work and in educational work as a matter of great socio-economic importance.

Raising the welfare of the Soviet people should be based on their growing contribution to social production. One can recall the Leninist tenet that our "state not only persuades, but also rewards good workers with better living conditions" (Collected Works, vol 42, p 151). The further improvement of living conditions in our society depends directly on raising the efficiency of social production and on our work.

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## HOUSING AND PERSONAL SERVICES

### EMERGENCY TELEPHONE NUMBER ASSISTS CONSUMERS

Moscow TRUD in Russian 27 Nov 85 p 4

[Article by N. Mokrishchev, TRUD correspondent, Yevpatoria: "Telephone Help--'05'"]

[Text] Showing kindness and attention in the area of public service has, unfortunately, not yet become the norm. Workers in the service industries so often lack a sense of real interest in every customer or client. But now a style reflecting goodwill and concern shows through rather clearly in Yevpatoria. And this is felt by every one of the city's residents and many of the million and a half who arrive annually for rest and treatment.

Time and time again one sees in Yevpatoria the sign: "The '05' service comes to the aid of people for any problem at any time of day or night." I dial the number and ask: "Can I have a suit made within a week?"

"You can," comes the answer, and I am directed to a tailoring shop that, as it was discovered, is less loaded down with orders than some others.

I ask whether it's possible to hire a sofa repair specialist. Why not? Of course, here is the phone number and address. Feeling a bit dissatisfied that the sofa I need fixed is not actually in Yevpatoria, I give the '05' service a bit more intricate mission. I had noticed a pile of garbage while headed down to the seaside. I notified the '05' service about this late in the evening. By the middle of the next day the garbage had been picked up. When water started pouring into some friends' apartment late at night, they called '05' and an emergency crew arrived within minutes.

To find out what kind of service this is that so easily handles a variety of people's needs and problems, I headed for the city executive committee, where the service is located. A small room. Two women work here--supervisor Aleksandra Georgievna Bormotova and Lidiya Fedorovna Melnik.

This is how the operation runs. If a caller is not just seeking information but requires some action on the part of one or another branch of the city organization, the service operators immediately get into direct contact with the heads of the appropriate organization through a special telephone line of a so-called small-scale automatic telephone exchange. Complaints are registered in a special journal, so that it can be checked later how they were handled.

Up to 50 calls a day come into the "05" number during the day shift alone. I ask whether they are able to satisfy all requests. The operators admitted that there are instances where they are not--when a problem is posed that cannot be solved immediately. But that certainly does not mean that questions of an unfortunate nature, so to speak, are simply cast aside.

In the room housing the service hangs a large chart with an analysis of callers' requests. It shows on what questions and how many times people called in, from what neighborhood, and to what organization. It is a unique barometer of city life. The directors of the city executive committee begin their work day with an analysis of its data. Every Friday they discuss the nature of its "signals" at a staff meeting.

In this way, it has become possible to not only "patch up the holes" but to remove flaws and shortcomings with a singleness of purpose that comes from precise knowledge of the situation. For example, the number of complaints about the lack of water in buildings of a new neighborhood has begun to increase, and complaints about drops in voltage from the central part of the city have become more frequent. Specialists investigated and suggested concrete steps to be taken. And now a new water line is being constructed, and they have renovated sections of the power grid.

"The necessity of creating a unified city dispatcher service that would take on the task of solving citizens' more troublesome problems was dictated by life itself," related the chairman of the Yevpatoria city executive committee, V. Kurashik. "It must be confessed that many city services were working poorly, complaints about various municipal and housing problems were piling up. The city administration simply did not have the time to thoroughly examine every one of them. Sometimes stock answers would be given, producing further complaints."

"We began to drown in trifles. A roof is leaking, a radiator isn't working--and a person has to turn to the central organizations. But the problem should be taken care of by the head of the housing operations office or simply by a repairman..."

And another important point. Toward evening the doors of the city executive committee are closed and locked. But life goes on. Who are people to turn to? To the city housing directorate dispatcher or the locksmith on duty? And if one of them shows a lack of conscientiousness or proper skill, then the person who has a burning problem, so to speak, has to wait until late in the morning to file a complaint...

For this reason they were pursuing two goals in creating this service--to create a situation in which any urgent question would be solved without delay, and to provide smooth and precise monitoring over how all city services carry out their routine responsibilities. Now, if a person suddenly has a need for urgent help, he need only dial "05" and report what the difficulty is. The problem will be solved effectively.



All this is fine. However, the supervisor of the service is neither the chairman of the city executive committee nor his deputy. How will the chief of the city department of municipal services, let's say, react to his directions?

"This question was probably one of the most complex," explains V. Kurashik. "We endowed the "05" service with considerable powers; the executive committee's authority stands behind it. It was not possible to immediately induce everyone to fall in line. We had to call some managers into executive committee sessions and separately explain the necessity of a clear-cut solution to the problems coming into the "05" service. And we've now accomplished a great deal in that area."

And where does the funding and personnel for the "05" service come from? Could Yevpatoria have been given a subsidy? Nothing of the kind. The supervisor slots were "borrowed" from the staff of the executive committee's general division, which also covers the workers' complaints and declarations section. The remaining workers in the division are able to handle their work, for the "05" service has more than cut in half the number of complaints.

But the supervisors, like everyone, work only during the day. And they could hardly be expected to work miracles, as they say, by themselves. During non-business hours and holidays the city soviet chairman, his deputies, members of the city executive committee and leaders of enterprises and organizations fill a duty roster. About once a month. Unusual? But very useful. Here's an interesting fact. Dairy plant director A. Kravchenko was on duty when some residents called in to "05" with a complaint about poor heating. They named an address, and it turned out to be a building where employees of his own enterprise were living. The director, a bit red-faced, had to deal seriously with preparing the plant's housing facilities for winter. And such incidents are not unique.

Concrete results can be seen. They mostly involve, as mentioned before, a noticeably reduced number of complaints. A considerably smaller number of complaints are reaching central organs. And calls to the service itself on problems of heating, water and gas supply have nearly stopped completely.

One more result of the "05" service's operation must be mentioned. People began to feel that someone cares about them, that their opinion is valued. More and more often, people call the "05" number to express their ideas, to give suggestions that go beyond personal interests to those of all the city's residents.

"We want every resident to feel himself a genuine steward of the city," said V. Kurashik.

For the people of Yevpatoria, these are not just words. One should think that their experiment might prove beneficial in other places as well.

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## HOUSING AND PERSONAL SERVICES

### IMPROVING RURAL SERVICES FOR CONSUMER ADVOCATED

[Editorial Report] Moscow IZVESTIYA In Russian 31 January 1986 carries on page 3 an 1800-word article by V. Sitnikov entitled "The 'Moonlighter' And The Craftsman." Sitnikov's theme is the provision of consumer services in the countryside in which individual craftsmen play a significant role. Sitnikov points out that when "consumer and municipal services fail to provide amenities, people are forced to find them elsewhere." Such a situation, he adds, "provides scope for energetic and enterprising people who know what is to their advantage." Sitnikov cites the example of two basket weavers who sell their wares to local kolkhozes and sovkhozes and notes: "We would be wrong to assume that every enterprising person who has a 'side-line' is dishonest, so to speak, or that we should be concerned whenever we encounter such instances. Honest, talented people enhance the prestige of everything that they do," However, Sitnikov is careful to make a distinction between craftsmen such as those who "rationally and imaginatively improve life in their own homes" and between those 'moonlighters' who "use every means to get rich" and "use state tractors and vehicles as their own, utilize state fuel, and charge people tens, sometimes hundreds of rubles for their services." Sitnikov contrasts honest craftsmen, who refuse the temptation of 'moonlighting' and instead deal directly with public sector organizations, with 'moonlighters' who use state resources for their own sometimes excessive profit. He concludes that the best solution is for craftsmen to pool their efforts under a better organized system of public services in their attempt to "strive to satisfy consumer and municipal needs."

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## HOUSING AND PERSONAL SERVICES

### MARKET FOR CONSTRUCTION MATERIALS IN RURAL HOUSING

Moscow SOVETSKAYA POTREBITELSKAYA KOOPERATSIYA in Russian No 12, Dec 85 pp 16-19

[Article by S. Ignatyeva, senior scientific associate of the All-Union Scientific Research Institute for the Economics of Cooperative Trade: "Housing Construction in the Village and the Market for Construction Materials"]

[Text] The demand for housing is one of the fundamental and most pressing demands in the entire system of needs of people. Its satisfaction opens up scope for the development of spiritual and social needs and is conducive to the increase in productive forces and the social reconstruction of cities and villages.

Thanks to the measures of the party and the government with respect to the further development of housing construction in rural localities, the provision of the population with housing serving consumer cooperation is constantly growing. At present it constitutes approximately 14 square meters per person, which is higher than the provision for city-dwellers and corresponds to two-thirds of the rational norm.

The area of the rural housing fund comes to 1.4 billion square meters. About one-third of this fund was built during the last decade. During the four years of the current five-year plan, 1.1 times more housing in rural localities was put into operation than during the analogous period of the past five-year plan. During 1984 alone, approximately 35 million square meters of housing were put into operation. Housing construction is developing at the highest rates in the Russian Federated, Lithuanian, Tajik, and Armenian union republics, where the increase in housing to the comparable period of the 10th Five-Year Plan reached 25-33 percent.

The Food Program of the USSR and the last decisions of the party and the government envisage the preferential erection of rural housing of the farmstead type. Housing construction in the village must be carried out in accordance with the plans for the lay-outs of the rayons and with the plans for the location of agricultural enterprises, as well as with the the general plans for the construction of individual built-up areas. A great deal of attention is being given to the quality of housing, the increase of the comfort of homes, and their rational lay-outs. The modern village must be well-planned, with good-quality and spacious houses, in which the conveniences characteristic of urban housing are supplemented with typically rural ones. Plans call for a personal plot, outbuildings and other buildings.

At the present time, more than 70 percent of the rural housing belongs to citizens by rights of private property. However, the proportion of individual builders in the total volume of housing being introduced is steadily declining. This trend has noticeably increased during the past few years. If during the 9th Five-Year Plan the floor space of houses built at the expense of means of the population amounted to 53 percent, during the 10th Five-Year Plan it decreased to 34 percent, and during the four years of the current five-year plan --to 30 percent.

The reduction of the share of individual building is caused by the expansion of the scales of the erection of housing at the expense of socialized means of kolkhozes and state enterprises and the development of rural housing construction cooperatives. The absolute and relative reduction in the size of the rural population, the collective settlement of part of the inhabitants in larger settlements, and the "aging" of the village, especially intensive aging in a number of regions have also exerted a certain influence on this process.

The--for the full coverage of the demand--inadequate supply of construction materials for sale at the retail level and the lack of development of the system of services for construction and repair of housing have also led to the restraint of individual construction. As the research of the All-Union Scientific Research Institute for the Economics of Cooperative Trade has shown, more than half of the individual houses are erected with the aid of specialists in construction, and only less than 5 percent--on the basis of a contract with contract construction organizations, about 4 percent--with the aid of a kolkhoz or sovkhoz. In such conditions, the construction of housing is basically carried out in an unskilled manner, since rural inhabitants in the majority of cases do not have special knowledge and skills, not only for the preparation and realization of construction projects, but also for the conjunction of already existing model designs with the concrete conditions of construction. It is natural that the level of the use of model designs for individual construction is small--altogether 12 percent.

The erection of housing through the efforts of the builders themselves also leads to the increase in the construction periods. The construction of the basic body of the houses, according to estimates of house-owners, drags on for a period of two to five and more years. Difficulties with the purchase of construction materials are a significant obstacle to the reduction of the construction times. Even in conditions where they are stockpiled in good time, 70 percent of the rural families, because of poor organization of the trade, did not have the possibility to obtain wood, brick, cement, and roof materials, and about 30 percent--paint and window glass.

The selection and scale of services connected with the designing, construction, and operation of housing and the sale of construction materials in the village are even now still extremely inadequate. This hinders the further development of individual construction, to which the party and the government attach enormous significance. In recent years, the directive organs have taken a number of decisions which are aimed at providing assistance to individual builders in the erection of housing. They envisage the granting advantageous conditions of credits for construction, the more complete supply of necessary building materials, the expansion of services for the completion of construction and assembly work, and others.



In July of this year, the USSR Council of Ministers adopted the decree "On the Further Increase of the Production of Construction Materials, Articles and Designs for Sale to the Population". The government obligated the construction ministries and departments, and the Councils of Ministers of the union republics to secure, in the 12th Five-Year Plan, a significant increase in the output, for sale the population, of precast concrete and concrete products, concrete and mortar, asphalt concrete, porous aggregates, non-metallic construction materials, wood particle boards and articles made from them, sets of wood construction components (beam, boards for flooring, lumber), window and door units, heat and sound insulating gypsum materials, construction designs and components, and other construction materials, articles and designs. The decree also provides for a significant improvement in the sale and delivery of them to the population.

In the 12th Five-Year Plan, the volume of housing construction, as this is envisaged by the tasks of the Food Program of the USSR with respect to the improvement of the social and everyday living conditions of the rural population, is projected to increase by 15-18 percent. The increase in individual housing construction that is being proposed must be secured at a higher level of quality, moreover not only by virtue of the realization of construction by the population itself, but also by the expansion of the contract and economical methods of construction. The proportion of individual housing constructed by such methods is increasing by a factor of 2.3 and will constitute 39 percent of the housing put into operation in rural localities for the country as a whole. In such republics as the Russian Federation, Belorussia, Moldavia, the Kirghiz, Georgian, and Estonian republics, it will be higher than the average union level--from 42 to 58 percent.

Plans call for a significant increase in the volume of services with respect to housing construction and repair, including the improvement of the organization of trade in construction materials, components and finished houses.

A new manifestation of the concern of the party about the improvement of housing conditions in the village was the decree of the CPSU Central Committee and the USSR Council of Ministers "On the Further Development and Increase of the Efficiency of Agriculture and the Other Sectors of the Agro-Industrial Complex of the Non-Chernozem Zone of the RSFSR in the Years 1986-1990". This decree calls for the introduction, in the 12th Five-Year Plan, of housing with a total area of 37.2 million square meters in kolkhozes, sovkhoses, and other enterprises and organizations of the agro-industrial complex of the non-chernozem zone. Under the indicated volumes of construction, the funds of industrial wood, plant-manufactured wooden housing, sawn timber, cement, slate, window glass, and other construction materials for sale to individual builders. The development of sponsorship assistance in the construction of housing in the village deserves special attention in the light of the decisions that have been adopted.

Consumers' cooperative societies, too, are taking an active part in the development of housing construction in the village. The governing board of the Central Union of Consumers' Societies, in the current and especially in the 12th Five-Year Plan, plans to substantially increase the volume of services to

the population with respect to the repair and construction of housing and to improve the organization of the construction materials trade. To this end, the products list of the materials for repair and construction work, the finishing and equipment of houses, in the enterprises within its jurisdiction is being expanded and the quality of construction materials is being improved. Within the framework of the goal-oriented comprehensive program for the development of the production of consumer goods and the sphere of services, plans call for a significant increase in the volume of sales of construction materials in cooperative trade, the strengthening of the material-technical base of the cooperative enterprises for the rendering of repair and construction services, and the expansion of their products list.

The governing board of the Central Union of Consumers' Societies also plans the development of trade services for the sale of construction materials. To this end, plans have been drawn up for the reconstruction, expansion and new construction of a whole series of specialized enterprises for the sale of these commodities to the population, the general organization of the method of advance orders from the population for materials and articles necessary for the execution of construction and repair work, as well as the delivery of these goods to the construction site. Cooperative trade will also render to the population such services as the glass cutting, wood modification, the manufacture of frames, doors and other articles as per orders of the purchasers, and the familiarization with catalogues of model plans for individual houses.

The sale of construction materials in cooperative trade amounts to 1.1 to 1.2 billion rubles a year. This is approximately 70 percent of the total volume of construction materials allotted for sale to the population in cities and in the countryside. However, the indicated sales volumes developed against the background of significant unsatisfied demand of the population, especially for such types as timber, brick, cement, slate, finishing and other materials.

The volume of unsatisfied demand for construction materials on the part of the population being served, according to calculations of the All-Union Scientific Research Institute for the Economics of Cooperative Trade, 2-3 years ago was estimated at 300-500 million rubles. Given such a situation, the supplies of goods earmarked for construction in consumer cooperation were, of course, considerably lower than the norm, and the rural market for these products is unbalanced. The situation became aggravated by the fact that, because of the shortage of many construction materials, non-market consumption of materials from marketable commodity stocks took place (and in a number of cases this continues even now). The rural population frequently was forced to obtain construction materials, bypassing the channels of retail trade. Thus, a comparison of budget statistics data, which characterize the share of expenditures of the rural population for construction materials, with the results of surveys that have been taken shows that rural residents spent approximately 1.5 times more money for their acquisition than the turnover of cooperative trade in these commodities. This is also indicated by the information relating to the sources of the acquisition of construction materials by the rural population. The share of construction materials not purchased in cooperative stores came to 40-60 percent for the most important types. More than half of this quantity was accounted for by non-market consumption.

During the past two years, the situation with respect to the construction materials trade in the village has changed for the better. The stocks of saw-timber allocated to the cooperative trade increased in physical terms by a factor of 1.9, merchantable wood--by a factor of 2.7, plant-manufactured wooden houses--by a factor of 2.6, cement--by a factor of 1.4, slate--by a factor of 1.3, soft roof--by a factor of 1.2, and structural glass--by a factor of 1.1. This made it possible to satisfy the needs of the population more fully. In 1984, the demand of consumers' cooperative societies for structural glass was satisfied to the extent of 97.3 percent, merchantable wood--91.2 percent, saw-timber--74.2 percent, cement--93.3 percent, soft roof--87.7 percent, and slate--95.6 percent. The lowest level of satisfaction of demand is in planed linear products (17.2 percent of the volume ordered). At the same time measures have been taken to increase the balance of demand and supply.

The increase of commodity supply and the regulation of retail prices for materials earmarked for construction have made it possible to secure significant growth of their sale in cooperative trade. Its volume in 1984 reached 1.7 billion rubles. The most intensive development took place in the sale of cement, saw-timber, and rolled metal products. During the past two years, sales for each of the indicated types of materials increased 2.1, 1.7 and 1.6 times respectively. However, it should not be forgotten that the increase in the volumes of sales in the value indicators does not always reflect the real situation. Analysis indicates that an essential increase in the physical volume of the turnover of construction materials has, unfortunately, not taken place during this period. The movement of sales was held back because of the accepted level of retail prices. In comparable prices, the increase in the sales of the most important materials is not as great as might be expected. In 1983, for saw-timber, it came to 6.6 percent, cement--28.6 percent, local construction materials--6.3 percent, slate--2.2 percent, and for rolled metal products an decrease of sales of 8.9 percent took place.

Beginning in 1983, the process of the unnecessary accumulation of supplies of some construction materials became appreciable. At the beginning of the past year, they amounted to 735.9 million rubles, and at the beginning of the current year they increased to 820.2 million rubles; their annual growth rates came to 133.9 and 111.1 percent respectively. The most intensive increase during these two years occurred in the supplies of slate (2.3 times), cement (2.2 times), saw-timber and rolled metal products (2.1 times), and local construction materials (1.6 times). By regions, the increase in supplies of construction materials was especially noticeable in the Azerbaijan, Moldavian, Armenian and Uzbek consumers' societies.

As a whole, the market in construction materials has now become more saturated in terms of total volume. However, against the background of the growth of resources and retail prices, the disproportions in the distribution of the mass of these goods by regions of the country and individual enterprises are being experienced more noticeably. A negative influence on the movement of sales is exerted by the low quality of a number of construction materials, the absence of a sufficiently wide assortment, the undersupply of commodities by industrial enterprises that takes place, and the irregularity of deliveries to the retail trade network. The results of a survey show that many products intended for construction are delivered to the stores rather infrequently. Thus,



45-48 percent of the enterprises of the consumers' societies receive round timber and saw-timber once a quarter; 40 percent of the enterprises receive round timber once a year and even more infrequently. For saw-timber, about one-third of the enterprises have as infrequent a periodicity of delivery. Between 50 and 60 percent of the enterprises receive finished wood components once a year or more infrequently, approximately one-third--once a quarter.

The cited characteristics of the development of trade in construction materials are indicative of the difficulty and the contradictoriness of the development of this rural market. In the conditions that have developed, the questions of demand forecasting and the justification of the claims and orders of the trade for delivery of products intended for construction are becoming especially urgent and difficult. The basic problems that arise here are connected with the calculation of the demand for these goods of all categories of individual builders (directly rural residents; members of dacha-construction and garden-market garden cooperatives; families renting housing).

An important place in this work is occupied by the calculation of regional differences in the use of all types of construction materials and, in particular, wall and roofing materials. These differences, which are caused by natural and climatic features, the presence of local construction materials, the architectural and design decisions adopted in some regions, and the level of demand satisfaction, preserve their significance and require first and foremost consideration in the forecasting of demand. Thus, in the forest regions of the country, wood is more widely used in the construction of housing, in the southern regions--stone, brick, limestone, and breeze block. Ceramic roof materials are more widely disseminated in the Ukraine, in the republics of Central Asia, and in the Trans-Caucasus. The proportion of metal roofing, according to survey data, is more significant in Georgia, Armenia and the RSFSR. At the same time, a process of the penetration of new types of construction materials into rural housing construction is underway, in particular finishing materials, brought about by the influence of scientific-technical progress and urban housing construction, which in its turn requires to be taken into account in the determination of the requirements of the trade.

The volume and structure of the demand of the rural population for construction materials are determined not only by the state of housing itself, but also by the presence of outbuildings among rural homeowners, since rural construction represents overwhelmingly houses of the farmstead type. The demand for outbuildings is directly dependent on the composition and size of the family, the dimensions of the personal plot, the presence of livestock, poultry, and means of transportation.

Proceeding from the prospects for the development of rural housing construction, some important changes both in the supply and in the demand for individual products should be expected in the market for construction materials. In particular, already now it is clear that a certain part of individual builders will not use the channels of the retail trade to obtain odd construction materials, but will receive housing in finished, constructed form and obtain standard houses for their subsequent assembly. For this reason, the industry has oriented itself toward the intensive development of standard house construction and the use of finished sets of house components and individual elements of wood, reinforced concrete, slag concrete, and other materials.



The task of the trade is to serve as an active guide of these progressive trends, and so to be concerned about not only the correct determination and full satisfaction of the available demand for the corresponding products, but also the formation of progressive demand through the extensive development of advertising and special services in regard to the assembly of houses.

In the construction of individual housing, there will, of course, be a growing tendency to use longer-lasting and higher-quality materials for the erection of walls, roofing, internal finishing and floor-laying. Among wall materials, these are brick, natural stone, limestone, and breeze block; among roofing materials--slate and metal roofing. The demand for such materials will grow, but there will be a decline in the demand for soft roofing and other less durable construction materials. Accordingly, it is necessary to reorganize also the structure of the commodity supply of these materials.

It seems that in the future no less than 40-45 percent of the volume of demand for construction materials will be connected with the execution of housing repair. According to our calculations, about 2 million homeowners will carry out major repair every year, and minor repair and maintenance will encompass no less than 9 million homes and apartments a year. Here the task of the trade organizations is to determine more precisely the demand for specific construction materials, taking into account the traditions, tastes, fashions, and distinctive features of the styling of housing in every region that have developed.

Survey results and opinion studies of the population being served have shown that the development of the demand for construction materials is actively related to the erection of outbuildings--sheds for livestock and poultry, bath-houses, garages, and summer kitchens. According to our calculations, no less than 2.5 million such structures a year will be completed. This requires of the trade efforts in regard to the increase of commodity resources of standard outbuildings and the delivery of a sufficient volume of the materials used for the repair and erection of these structures to the rural market. As a rule, local and less durable construction materials are used for outbuildings. On a wider scale than in the construction of homes, tarred roofing paper, prepared roofing paper, and local roofing materials are used as roofing materials.

A special talk about services. They are at the present time becoming an integral part of the construction materials market. And here all sorts of services are important--the completion of an order, the delivery of articles to the house, their arrangement, the manufacture of various articles in accordance with orders, repair and construction work, the hire of construction instruments and equipment. Consumers' societies must provide elementary services with respect to the manufacture of doors, frames, plinths, and other construction components, carry out glass-cutting, the planing of boards, and organize electric installation and sanitary engineering work.

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## CONSUMER SECTOR POLICY AND ECONOMICS

### INFLUENCE OF RETAIL PRICE FLUCTUATIONS ON SUPPLY, DEMAND

Moscow EKONOMICHESKIYE NAUKI in Russian No 11, Nov 85 pp 71-76

[Article by P. Kurenko, RSFSR deputy minister of trade, and G. Zhuravleva, docent, candidate of economic sciences: "Price as a Factor in Balancing Supply and Demand"]

[Text] When improving pricing, it is important in particular to proceed from the premise that the planned price serves as an effective tool in equalizing supply and demand. In and of itself use of the price factor, of course, can in no way be interpreted as an element of "market socialism" since the regulation of demand is effected on the basis of set planned prices and in the interests of society as a whole. Here, the basis for planned prices should be socially necessary labor expenditures. As is known, however, the problem of defining socially necessary labor expenditures is still not uniformly interpreted in Soviet economic literature.

Without entering into this discussion, let us be mindful of the following. First, K. Marx characterized socially necessary work time as "the work time required to produce some use value given the socially normal conditions for production and given an average level of skill and labor intensity in this society."<sup>1</sup>; K. Marx went on to point out that socially normal conditions are the production conditions typical within a society under which the main mass of output of a given kind is produced. As a rule, socially necessary labor expenditures gravitate toward the average individual expenditures needed to produce commodities. If, however, there is a predominance in the production of commodities in worse or better conditions, socially necessary labor expenditures are regulated either by the former or the latter. Here, K. Marx proceeded from the premise that each individual commodity is a use value for society, that is, serves to satisfy some social need. "Before commodities can be realized as a value they must show that they have a use value because labor expenditures on them are only as much as is expended in a form useful for others."<sup>2</sup> And if a commodity has no social use value then the labor expended to produce it is not socially necessary.

Second, the entire aggregate of commodities of a given kind (or from a given sector) embodies the labor required to produce them. K. Marx noted that the entire mass of commodities from one sector can be regarded in the marketplace as a single commodity, and in this case everything that has been said about an

individual commodity is literally applicable to the mass of goods in a defined sector of production, and the entire aggregate of commodities contains within itself the labor that was socially necessary for its production.<sup>3</sup> K. Marx wrote: "If the use value of an individual commodity depends on whether it satisfies some demand in and of itself, then the use value of a known mass of social products depends on whether the social need for products of each particular type has been adequately defined quantitatively."<sup>4</sup> Hence, socially necessary labor expenditures embody labor expenditures amounts limited by the social need. Individual labor expenditures that exceed socially necessary expenditures are for the producer a loss of work time. Expenditures on an entire mass of commodities exceeding the socially necessary amount of labor are losses of labor for society. Therefore, "the quantitative aspect of the matter is of great moment as soon as, on the one hand, a product is available from an entire sector of production, while on the other, there is a social need for it."<sup>5</sup>

Third, the entire mass of commodities produced should be of socially necessary normal quality since the value of any commodity is determined by the work time that is required to produce a commodity of normal quality.<sup>6</sup>

Fourth, the basis for the value of any commodity is the work time socially necessary for its reproduction.<sup>7</sup> In a letter to F. Engels, K. Marx wrote: "Value is initially determined by the initial production costs... But once a product has been produced, then the price for it is determined by the costs that are necessary to reproduce it."<sup>8</sup>

Thus, the basis of value and price is made up of the socially necessary labor expenditures required to reproduce the product of labor that is socially necessary and of a socially normal quality. This latter--and this I would like to stress--means only that commodities produced above the social need (or above the socially necessary amount) cannot be recognized by society as such because the commodity can be realized when it is a social use value; in a socialist economy, prices are set in a planned way for commodities of a defined, socially normal quality corresponding to the social use value whose characteristics have been fixed in normative-technical documentation.

In a socialist economy price reflects specific socialist production relations and it mediates the multifaceted economic interconnections between the state and the enterprises (or organizations), between the enterprises themselves, and also between the enterprises and the monetary incomes derived in state, cooperative and kolkhoz trade of the workers. These relations find concrete manifestation under socialism.

No unity of opinion exists with respect to the question of their functions, content and quantity of the mechanism by which they are effected. Thus, the positions assumed by authors in interpreting the functions of prices vary significantly.

Denying the multiple function of prices, opponents of this viewpoint base their positions on the fact that recognition of the idea of multiple functions for prices would in practice bring elements of subjectivism into pricing. At the same time, limiting the functions of prices even by one function



simplifies practical work in establishing criteria for setting price levels. However, this kind of simplification, made despite objective conditions and for the sake of convenience in practical use can, in our opinion, also give rise to subjectivism in planning.<sup>9</sup>

The authors of other works dealing with pricing problems make no distinction between the content of functions in wholesale and retail prices.<sup>10</sup> Meanwhile, it is known that wholesale and retail prices serve different stages in turnover of the social product and on this account the content of their functions is different.

We suggest that retail prices fulfill four functions: planning-and-accounting, distributive, incentive and the function of balancing supply and demand.<sup>11</sup> Some authors consider that retail prices also fulfill other functions, as, for example, the function of accounting for limited resources<sup>12</sup> and a normative function.<sup>13</sup>

Let us consider in more detail the function of retail prices, whose content is to insure balance between supply and demand,<sup>14</sup> noting that not all economists recognize that this function exists.<sup>15</sup> What is in dispute here is questions of the objective basis of the action of the function in a planned economy and the limits on its use in the pricing process.

The function of balancing supply and demand is seen in the process of agreeing the needs of society (most of which, under socialism, are in the form of effective demand) for specified kinds of products with the production facilities that can satisfy this demand. This agreement is achieved with the aid of high prices for commodities enjoying high demand, and with prices set at a lower level for articles in everyday demand. Since high prices to some extent limit demand from individual population groups, so retail prices exert a marked effect on the demand offered by this part of the population, and also on the volume and structure of effective demand as a whole. The intensity of the effect of retail prices on demand depends on the level at which needs are being satisfied and the degree to which any given need is being met. The more fully demand for a given commodity is satisfied and the more available it becomes, the less the effect of prices on demand. In turn, demand affects the level of retail prices, that is, prices should promote satisfaction of the social need for a commodity.

In retail price planning for the purpose of balancing supply and demand an important role is played by the social factor. It is known that for many everyday articles and articles in mass demand the state establishes prices at a level lower than cost. This applies primarily to the range of goods for children, livestock farming produce, textbooks, medicines and hygiene and sanitation articles, and cultural goods. At the same time, prices that exceed cost have been established for a range of articles that are not essentials, and also for goods that are injurious to health.

When using the price factor for the purpose of balancing supply and demand for individual commodities it is also important to pay attention to the causes of the imbalance: miscalculations in the plan, the vagaries of fashion, or for



example, the seasonal variations in supply and demand, overall production shortfalls or the irrational distribution to individual regions and so forth.

The function of balancing supply and demand is seen most fully under conditions of stability of prices based on socially necessary labor expenditures.

During the past decade and a half retail prices for consumer goods have in general remained extremely close to stable, which, however, has not excluded price movements for individual groups of articles, resulting from change in production and marketing conditions (see table 1).

Table 1. Indexes for State Retail Prices in the USSR as a Percentage of Average Annual Prices\*

Year	All Commodities	Foodstuffs	Nonfoodstuffs
1940	100	100	100
1960	139	147	130
1970	139	152	124
1980	143	157	127
1982	150	166	132
1983	151	167	133

\* Source: "The National Economy of the USSR, 1983," Moscow 1984, p 471.

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The figures show that during the period 1970-1983 the retail price index in our country rose 12 percent, including 15 percent for foodstuffs and 9 percent for nonfoodstuffs. At the same time it is important to note that over the same period the increases in workers' and employees' real incomes, calculated per worker, was 43 percent, while real incomes for kolkhoz farmers rose 64 percent.<sup>16</sup>

In recent years, given the increase in the volume of output for consumer goods and services available to the public, a misalignment has been found between supply and demand with respect to a number of goods and services. One of the main reasons for the situation that has developed is the fact that the population's monetary incomes are outstripping the volume and quality of goods and services being offered. As is known, the population's increased incomes are the result of party policy aimed at improving the well-being of the people. At the same time, as was noted at the 26th CPSU Congress, "...raising the workers' living standard is not merely a matter of increasing monetary incomes. Now... the task of improving the supplies of foodstuffs to the population, and also industrial goods enjoying extensive demand, is being moved to the forefront."<sup>17</sup> Thus, whereas during the period 1975-1984 industrial output rose 44 percent and retail trade turnover increased 39 percent, the wages fund (for the entire national economy) grew 58 percent while payments and benefits to the public from public consumption funds increased 45 percent.<sup>18</sup>

The fact that demand is running ahead of supply can also be seen from the increased contributions being made by the public to savings accounts, which rose from R91.0 billion in 1975 to R202.1 billion in 1984<sup>19</sup>; because the payments made by the public largely reflect the magnitude of unsatisfied demand. The size of payments made into savings accounts has increased twice as fast as the volume of retail trade turnover and has somewhat outstripped the increases in incomes.

In order to balance effective demand and supply, from 15 September 1981 the retail prices for a number of goods were substantially raised (items made from gold, furs and fur articles, crystal, boats and boat engines, and other luxury items). However, the targets were not fully met. First and foremost there was a sharp increase in commodity reserves. Demand for the more expensive items declined. Thus, whereas for 1981 the sale of jewelry items totaled R2,294.7 million for the RSFSR, in 1982 the figure was R1,746.3 million, in 1983 some R1,588.2 million, and in 1984, some R1,440.0 million, while purchases declined 50 percent. A decline in the indicator for sales in this group of items is also expected for 1985.

The increase in commodity reserves and the substantial slowdown in the rate of turnover complicated the financial situation at trade enterprises since the need arose to pay higher interest rates to the bank for nonfulfillment of the marketing plan, and for loans for above-normative reserves. At the same time, the demand for additional warehouse space in the wholesale trade started to rise rapidly.

In order to satisfy more fully reasonable consumer demand, and also to reduce the above-normative commodity reserves in trade, which continued to rise, and to bring supply and demand into line (especially in terms of structure), prices were lowered for consumer goods, including the articles whose prices had been previously raised. In 1983 alone price reductions occurred 12 times. On 1 September 1984 the next reduction was made in the level of retail prices for an extensive range of consumer goods.

The same aim is pursued by the seasonal clearance sales introduced in 1984 and now used extensively. Initially the reduction amounted to 40 percent (in 1984), and from 1985 the limit will be increased to 45 percent of the retail price level.

The experience that has been gained shows the growing opportunities for satisfying increasingly fully the population's demand not only in terms of volume but also structure. At the same time, the seasonal clearance sales of articles sold off at reduced prices reflect with ineluctable obviousness the situation that has developed: the output of many consumer items (in terms of the volumes now achieved) could fully satisfy demand if the range and quality met requirements.

According to figures from the RSFSR Ministry of Trade, in 1985 in the wholesale markets the trade enterprises failed to purchase (against the plan indicators) articles for just a few of the commodity groups--household goods, haberdashery items, cultural and everyday goods, fabric, clothing, footwear--to the tune of R3,862 million. The reasons why the articles offered in the

marketplace found no buyer can mainly be summed up as follows: an inadequate technical-operating level, lack of demand, unsatisfactory aesthetic qualities, and high prices. For the first time in many years cotton fabrics remained unsold (to the tune of R132 million), and 47,000 "Okean" refrigerators, 36,000 radios, 110,000 tape recorders, 950,000 wrist watches and other goods could find no buyer.

Unfortunately, the list of examples of imbalance between supply and demand could be continued. Hence, it is extremely important to define the way to achieve "... more complete satisfaction of demand for industrial goods and services, saturate the market with the products needed, improve the quality and range of goods produced, make the price system more flexible, and improve trade standards."<sup>20</sup>

It seems to us that the successful resolution of these tasks, in particular the problem of providing for consumer demand in terms of structure, will be promoted by so-called contract prices.<sup>21</sup> They exceed constant prices for similar mass produced goods by 10 percent to 50 percent (in isolated cases, by 100 percent).

However, it must be noted that still not enough goods sold at contract prices are being produced, particularly fashion goods. Production targets have been included by the wholesale associations in the five-year agreements concluded with the republic industrial associations. Thus, the RSFSR Ministry of Light Industry established for 1984 the target of producing "N"-category goods worth R3.5 million (in retail prices), while actual production was only R2.7 million. The reason for this situation is that the industrial enterprises are poorly prepared for any substantial expansion in production, particularly fashion items: at many of them no technology has been developed for manufacturing such articles and supplies of raw materials and decorative materials and accessories are not stable, even though some enterprises embarked on the production of test batches of articles, especially fashion articles, sold under contract prices as long ago as 1981. Under these conditions it is often more advantageous for an enterprise to make several regular items rather than a single fashion item because costs (materials and time) can be the same while the manufacture of some mass output demands less fuss. For this reason it is expedient to increase manufacturer interest in producing fashion goods sold under contract prices by, for example, increasing the volumes of test batches of such goods. It is also expedient to work on the situation with respect to offering bonuses to workers at trade enterprises for sales of goods under contract prices.

One special group of commodities for which higher prices are established is made up of improved "N"-category articles. In particular, enterprises of the RSFSR Ministry of Light Industry have been producing sewn articles and footwear with the improved "N"-category rating since 1962. In 1983 some 20.9 percent of total gross output from enterprises of the RSFSR Ministry of the Textile Industry was "N"-category articles, and in 1984 this indicator was 31.8 percent. According to the 1985 plan, within the sector, the volume of output with the improved "N"-category rating should reach R4,277.6 million (in retail prices) while their proportion of the total volume of consumer goods should be 33.3 percent.



Nor can we sidestep the fact that in individual cases practical work in the use of higher prices for "N"-category articles gives rise to the danger of unjustified price increases. Thus, a trend can be seen toward increases in average prices for woolen and silk fabrics when there is no substantial improvement in their consumer qualities. This was the reason why in 1982 the USSR Ministry of Trade proposed to the USSR State Committee on Prices that the "N"-category index be abolished ahead of time for 202 fabric items; in 1984 the figure included 393 fabric items, clothing, knitted articles and footwear of improved quality.

Thus, retail prices play the role of an active agent in regulating the relationship between supply and demand. And balance does not mean total equality. Supply should exceed demand by the size of increase in normative commodity reserves, natural decline, mark downs on goods, reserve stocks and so forth. Balance between supply and demand should not be thought of as some fixed relationship for each kind of commodity at each given moment. In this case it is a matter of the determining trend for this relationship. Accordingly, solving the problem of balancing supply and demand is inseparably linked with improvements in the national economic proportions and the entire planning system.

#### FOOTNOTES

1. K. Marx and F. Engels. Works, 2nd edition, Vol 23, p 47.
2. Ibid., p 95.
3. Ibid., Vol 25 part I, p 199.
4. Ibid., Vol 25 part II, pp 185-186.
5. Ibid., Vol 25 part I, p 202.
6. Ibid., Vol 23, p 184.
7. Ibid., Vol 25 part I, p 153.
3. Ibid., Vol 27, p 280.
9. For further detail see: "Obshchestvennyy uchet truda i tsena pri sotsializme" [Public Accounting for Labor and Prices under Socialism], Moscow, 1960; "Tovarno-denezhnyye otnosheniya v period perekhoda k kommunizmu" [Money-Exchange Relations in the Period of Transition to Communism], Moscow, 1963, p 105.
10. See: A.N. Komin. "Problemy planovogo tsenoobrazovaniya" [Problems in Planned Pricing], Moscow, 1971, p 19 and others; V.K. Sitin and Yu.V. Yakovets. "Ekonomicheskiy mekhanizm povysheniya effektivnosti proizvodstva" [The Economic Mechanism in Improving Production Efficiency], Moscow, 1978, pp 100-101; "Razvitiye sistemy roznichnykh tsen" [The Development of the Retail Price System], Moscow, 1981, p 87.



11. For more detail on the content of these functions see: A.S. Gusarov. "Mekhanizm tsen" [The Price Mechanism], Moscow, 1969, pp 18-28; "Metodologicheskiye osnovy sistemy roznichnykh tsen" [Methodological Bases for the Retail Price System], Moscow, 1980, pp 8-16; "Tseny i tarify" [Prices and Tariffs], Moscow, 1983, pp 5-7.
12. See: M.N. Sidorov. "Tsena, proizvodstvo i potrebleniye" [Prices, Production and Demand], Moscow, 1982, p 13.
13. See: VOPROSY EKONOMIKI No 8, 1982, p 4.
14. Here, by balance is meant the qualitative and quantitative match realized in the plan between volume and structure-and-range indicators for supply and demand, calculated taking into account capital investments, production volumes, the population's monetary incomes, commodity resources and retail prices in commodity turnover.
15. See, for example: A.N. Komin. op. cit., p 19; "The Development of the Retail Price System," p 97.
16. See "Narodnoye khozyaystvo SSSR v 1983g" [The National Economy of the USSR 1983], Moscow, 1984, p 409.
17. "Materialy XXVI syezda KPSS" [Materials of the 26th CPSU Congress], Moscow, 1981, p 45.
18. See: "SSSR v tsifrakh v 1984 godu" [The USSR in Figures, 1984], Moscow, 1985, pp 27-29.
19. Ibid., p 224.
20. "Materialy Plenuma TsK KPSS 23 aprelya 1985 goda" [Materials of the CPSU Central Committee April (1985) Plenum], Moscow, 1985, p 14.
21. In order to reduce the time taken for new kinds of articles to enter the trade network, and also to strengthen the material interest of industrial enterprises in their production, in 1980 the USSR State Committee on Prices confirmed the "Resolution on Procedure for Establishing Contract Prices for First Test Batches of Goods and Particularly Fashion Items and Trade Discounts."

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## CONSUMER SECTOR POLICY AND ECONOMICS

### KISSR TRADE MINISTER SUMMARIZES SECTOR PROGRESS, PROBLEMS

Moscow KOMMERCHESKIY VESTNIK in Russian No 21, Nov 85 pp 2-4

[Article by Kirghiz SSR Minister of Trade Aleksandr Nikitovich Zheleznov:  
"Working to the Maximum"]

[Text] The retail network of state trade in Kirghizia is made up of 1,190 enterprises with a total area of 143,900 square meters. The sector's most prominent features are large stores and department stores with modern equipment. The rising level of technical equipment and of the mechanization of labor-intensive processes is promoting the augmentation of labor productivity. Commodity turnover increased by 17.9 percent during the 11th Five-Year Plan.

Each day around 2.2 million people shop in republic stores. Trade enterprises sell an average of 9 million rubles' worth of goods a day. Much has been done to improve customer service: Progressive forms of product sales and delivery are being introduced at enterprises and on construction sites. Now that the 12th Five-Year Plan has been drawn up, however, immediate objectives are more apparent. They are discussed by Kirghiz SSR Minister of Trade A. N. Zheleznov.

Today we cannot speak only of the development of commodity turnover or the material and technical base of the sector. The attainment of the main socioeconomic objective--the maximal satisfaction of the rising demands of the Soviet laboring public--requires a comprehensive approach. Consequently, first it is necessary to determine these demands. Demand analysis and forecasting is organized on a scientific basis in our republic. The Ministry of Trade has a market conditions and demand department, and 139 such offices are operating within the state trade network. They have been established in all large retail organizations, at trade enterprises of the state trade and consumer cooperative networks, in wholesale bases and offices and in oblast trade administrations.

Information about public demand is obtained from the main stores, which constitute a fairly extensive network, and from free-lance trade correspondents

in the republic's six large cities. All of this allows us to keep an eye on changes in market demand and quickly take measures to correct irregularities and overstocking.

Industrial ministries with their own manufacturing enterprises have also begun to pay more attention to demand analysis. For example, sectors for the study of demand and advertising have been established in the technological design bureau of the Kirghiz SSR Ministry of Light Industry and the technological bureau of the republic Ministry of Local Industry. The work of trade, industry and science is coordinated by the Interdepartmental Council for the Study of Public Demand for Consumer Goods, an agency of the Ministry of Trade. The results of studies and surveys are used in the compilation of requisitions and orders and allow for timely changes in assortment and the addition of new products.

Now that market conditions are changing by the hour rather than by the day, as they say, the improvement of commercial work, particularly the establishment of closer contact between trade and industry, can play a special role in the provision of the public with the necessary goods. We view well-organized work to improve the quality and assortment of manufactured goods as a reliable method of satisfying public demand more fully and surmounting shortages. The commercial work of the Ay-Churek department store in Frunze provides an educative example of advanced experience in the collaboration of trade and industry. Here all sorts of methods are used to actively influence suppliers. One noteworthy example is the experiment with advertising fortnights, the organization of which not only publicizes the goods of local manufacturers but also reveals customer demand.

The department store workers recently organized an advertising fortnight in conjunction with workers from the Ministry of Trade, wholesale bases and light and local industry. It helped them learn which clothing styles and fashions were in demand and how quality, finishing touches, packaging and labels influence customer choice. It ended with a joint meeting of the collegiums of three ministries and the republic Administration for State Standards. It was held in a showroom of the Ay-Churek department store, where an exhibit was organized of the goods the trade network hoped to merchandise and goods no longer in demand. Several specific proposals were made with regard to the improvement of assortment and quality. All of them were recorded in the joint resolution of the collegiums.

One form of work with industry is the cooperation agreement. It can strengthen commercial contacts with manufacturers. This is the second year that mixed brigades of exemplary quality have been operating successfully within the framework of these contracts. This kind of work helps to fill the market with goods which were once in short supply. For example, there are now sufficient quantities of such items as bed linens, lace curtains, many leather accessories, hosiery, china, light fixtures, baby carriages, ironing boards, cutting boards and many other commodities.

Republic trade still, however, has many unsolved problems and unfinished tasks. This is interfering with the steady fulfillment of the retail commodity

turnover plan. We are making every effort to insure ourselves against irregularities, but we are not always able to do this. It must be said that the underfulfillment of the retail commodity turnover plan is the result of shortcomings in the work of industry as well as of trade organizations. In spite of all of our efforts and of all the innovations we introduce, producers continue to violate the terms of contracts with regard to quantity, quality and assortment.

Industry is still moving too slowly in the reorganization of operations for the production of high-quality goods, especially clothing and footwear, and this is intolerable under the present conditions of the market. It was not because we were living high on the hog, as they say, that Frunze trade enterprises suggested last year that 75 styles of clothing and lingerie and 6 styles of footwear be withdrawn from production. After all, this sometimes can lead to irreversible losses in commodity turnover. Many such examples could also be cited for this year. They testify that the product assortment has not been renewed to the extent required for the satisfaction of public demand. It is also for this reason that underdeliveries in terms of assortment are still being committed.

Local enterprises are not producing enough items for children, the elderly and pregnant women, ethnic clothing and footwear and stylish fashions at contracted prices. Although there was a minimum demand of 120 million rubles for stylish fashions, we were supplied with only 9 million rubles' worth. Just try, under these conditions, to satisfy the demand of the young and of other customers for contemporary styles and fashions!

The demand for baby booties, large metal and plastic toys, children's socks and underwear in a broader range of colors is still unsatisfied. And Kirghiz families are usually large and have an acute need for these items.

It is particularly difficult to work with enterprises of union jurisdiction in the republic. To say the least, they are quite reluctant to master the production of even the simplest goods needed by the population. For years on end they manufacture the same assortment of goods and do not really pay any attention to the suggestions of the trade network, as if the workers of these enterprises have no need for high-quality goods themselves and as if the managers of these subdivisions do not realize that even labor productivity depends on the provision of people with all that they need.

We must order many commodities from other economic regions of the country, although we know that many enterprises of union jurisdiction could supply us with them because they have the necessary equipment, skilled manpower and raw materials. For example, the Elektrodvigatel Plant in Frunze could produce clamps and household electrical pumps, the Experimental Electrovacuum Machine Building Plant could produce manicure sets, jar lids, and brush and mop holders, the Mayli-Say Electric Lamp Plant imeni 50-Letiye SSSR could produce thermos flasks, and the Agricultural Machine Building Plant imeni Frunze could produce egg beaters, small electric teapots, axes and separators.

Unfortunately, the ministries of these enterprises are not giving us effective assistance and are not supporting trade, although we have repeatedly proposed



the mass production of the necessary goods when we have organized exhibits in the consumer goods pavilion of the Kirghiz SSR Exhibition of National Economic Achievements. It is true that producers chose some models for incorporation, but the matter did not go any further than this.

The poor quality of manufactured goods is also interfering with the fuller satisfaction of public demand. Some manufacturers already have such a bad reputation that customers avoid their goods, preferring to stand in line for items shipped in from other parts of the country. The percentage of defective goods at some enterprises is even rising instead of declining. This testifies that trade control has become stricter; but after all, the trouble of finding additional commodity stocks to replace the substandard products is not diminishing either.

We could submit an entire list of enterprises manufacturing defective goods, but it should be enough to just cite the total figures for the first half of 1985. The administration for state trade and product quality inspections of the Kirghiz SSR Ministry of Trade imposed 82 fines on 69 industrial enterprises just during these 6 months. Products worth 1,265,000 rubles were removed from the report data of manufacturers, and 45,000 rubles in profits were confiscated and deposited in the state budget.

Of course, trade must also assume some of the responsibility for the marketing of goods of poor quality. The institution of stricter control directly at enterprises and the stricter enforcement of delivery contracts will be required. This often raises justifiable questions about the competence of quality control offices at industrial enterprises. The quality of goods is now controlled by enterprise technical control divisions, the Main Administration of State Product Quality and Trade Inspections, the State Committee for Standards and the merchandising experts in the wholesale and retail trade networks, and if there has been any improvement in quality it has been too slow. This means that something in the control mechanism does not work and must be corrected. The concentration of quality checks in a single agency has been proposed repeatedly. It appears that the time has come to do this. The enterprises manufacturing the goods are not exercising the necessary control. It is time to invent a system of incentives and fines to reward or penalize those specialists responsible for the improvement of product quality or those guilty of the deterioration of quality.

I repeat, we are not refusing to take some of the blame for the failure to offer the public the necessary goods of high quality in a better assortment and, believe me, we are making a great effort to attain good results. We are continuing our work to develop the supermarket sector of the grocery trade and to heighten the specialization and concentration of sales of non-grocery items. We plan to open self-service department stores, shopping centers, stores specializing in goods for children and for teenagers, fashion salons and salons for the sale of jewelry, crystal and camera and radio equipment.

Here is one example. Now, as you know, the intensive development of sales of juices and non-alcoholic beverages is being planned. This is a necessary and important job and we are working on it in earnest. After all, this is not a

simple matter of organizing the sale of these beverages wherever wine and vodka were once sold in abundance; it will also entail work to avoid sizeable losses in commodity turnover.

At the present time, 602 grocery stores, including all liquor stores, are selling soft drinks and juices. They are also being sold in 175 snack bars. We have 820 automatic and semiautomatic vending machines for the sale of soda water and 240 cider carts. The network of snack bars in amusement establishments and public recreational facilities has been enlarged.

Even in this important work, however, industry frequently undermines us. Suffice it to say that the demand of trade organizations, especially in summer, is satisfied by only 60 percent for ice cream, 74 percent for fruit-flavored sodas and only 24 percent for cider. The situation is particularly difficult for trade organizations in Issyk-Kul, Talas, Naryn and the southernmost Osh oblasts. The Ministry of Trade has drawn up proposals and submitted them to the republic government on an increase in the output of fruit-flavored sodas and cider in oblasts where the output is inadequate, and on the organization of their industrial production wherever this has not been done in the past. We will oversee the development of production and trade in conjunction with local soviets.

This is a time of nationwide preparations for the 27th CPSU Congress. Just a few months remain before it begins. For us they will be a time of intense work. We must prove that we are able to work productively, to the maximum. Trade organizations in the republic will use their accumulated experience to correct the situation, to satisfy public demand more fully and to mark the beginning of the party forum in an appropriate manner.

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## CONSUMER SECTOR POLICY AND ECONOMICS

### BSSR LOCAL INDUSTRY MINISTER SUMMARIZES SECTOR DEVELOPMENTS

Moscow EKONOMICHESKAYA GAZETA in Russian No 45, Nov 85 p 17

[Article by N. Kostikov, BSSR minister of local industry: "Contribution of Local Industry"]

[Text] In conformity with the decree of the CPSU Central Committee and the USSR Council of Ministers that pertains to the development of local industry until the year 2000 and the Comprehensive Program for the Development of the Production of Consumer Goods and the Services Sphere in 1986-2000, BSSR Minmestprom [Ministry of Local Industry] has developed the Intensifikatsiya [Intensification] scientific-technical program and a number of other comprehensive target programs which are aimed at the remodeling and technical re-equipping of the branch, the specialization and concentration of production, and the expansion and increase of the production of consumer goods.

With the overall growth in the volume of industrial production by 24.7 percent by the year 1990, the production of consumer goods will increase by 25.7 percent. It is planned that the entire increase in output will be guaranteed by means of an increase in labor productivity, and that more than 3000 workers will be freed from manual labor.

The use of local types of raw materials and industrial waste products will receive further development. The production of output made from them in 1990 will come to 164 million rubles. The increase in the production volumes will be achieved first of all as a result of the complete use of industrial waste products and the involvement of new types.

During the years of the new five-year plan it is planned to create, on the basis of the existing production entities, six work-at-home combines, 36 sectors (of which six will be at boarding houses), and also to organize work stations for persons working at home in 50 populated places.

## Today's Deeds

More than 7000 different types of commodities are produced by the enterprises in Belorussia's local industry. They include steel and cast-iron enameled pots and pans, musical instruments, household chemicals, a broad assortment of objects for household use, school and stationery supplies, various handicraft articles, sports equipment, and many other items.

In the current five-year plan the branch has considerably increased the production of commodities for the people. With a consideration of the plan for the current year, the volume growth constitutes 42 percent. Industry has satisfied, for example, the market's needs for such articles as bed linens, garden tools, musical instruments, souvenirs, and handicraft items. Every year on the average 15-20 percent of the articles are renewed. The labor collectives in the branch are building up the production of new items. In the fourth year of the five-year plan alone, commodities with a total value of 26 million rubles in excess of the assignment were produced with the index "N" [new].

A large amount of attention in the comprehensive target program being carried out in the republic has been devoted to raising the technical level and quality of the output, to improving the technological processes, and expanding the work-at-home types of labor. The efforts of the persons working at home -- of whom there are 19,000 -- are used to produce commodities with a value of more than a hundred million rubles annually. The technical-norm documentation has been developed. Questions of planning, accounting, and reporting have been put in order.

## From Local Raw Materials and Secondary Resources

Our enterprises are active participants in the permanent republic-level exhibition entitled "Use of Secondary Material Resources." This provides the opportunity to make broader use of industrial waste products. An example of this can be provided by the work of the Ostrovets Building-Materials Combine. That combine has assimilated the technological scheme for producing a linoleum and glass-enameled stove from waste products that are received on a cooperative basis.

In order to increase the participation rate and self-interestedness of the labor collectives in the use of industrial waste products, the ministry, jointly with the republic-level branch committee of the trade union, organized an annual conducting of competitive reviews to find the best suggestion for the most effective use of waste products.

The work being carried out has been yielding positive results. For example, whereas in 1980 the volume of production of output from these resources came to 77 million rubles, last year it came to 114 million.



Take, for example, the Belmuzprom Association. The consumer-goods shop that was created there produces more than 50 different types of articles from waste products resulting from its own production, with a total value of more than 3 million rubles. Such items as xylophones, cymbals, and a number are very popular not only on the domestic market, but are also shipped to nine foreign countries.

An extensive series of measures to increase production by means of the maximum use of waste products are being carried out by the Khimplast Production Association in Vitebsk. This was the first enterprise in the country to organize the reprocessing of used polyethylene film and bags. They are used to produce secondary polyethylene film, which is used to meet the needs of agriculture. In addition to the large benefit to the national economy, the reprocessing of this secondary raw material also has tremendous importance for the protection of the environment. In the first year of the new five-year plan the volume of reprocessing of waste products will be doubled here. In addition, the association has worked out the problems of producing polyethylene pipes, which are used to produce hothouses and other articles.

We devote a large amount of attention to questions of using metal waste products, both those that are the result of the enterprises' own production, and that from other enterprises in the republic. For that purpose in every branch a determination has been made of the base enterprises, and specialized sectors have been created, which engage in the centralized shipping of metal waste products from the metal-working enterprises, their grading, and their transfer to local industry for subsequent reprocessing. They are used to produce output with a total value of approximately 5 million rubles in the most diverse assortment -- more than 170 types.

A number of enterprises have developed and introduced technological schemes with practically no waste products. They include the Antopol Quilting and Cordage Factory and the Slutsk Spinning and Dyeing Factory, which reprocess the waste products resulting from textile, garment, and carpet production. The produced yarn is used by the work-at-home combines and other enterprises in the system to produce consumer goods. In the current year alone, such items will be produced with a total value of approximately 4 million rubles.

Good experience has been accumulated at the Svisloch (Grodno Oblast) Wicker Furniture Factory. That factory produces sets of wicker furniture for home use, children's and summer-cottage furniture, furniture for restaurants, cafes, and camp grounds -- for a total of 700,000 rubles. Its articles can be encountered in many regions throughout the country. In order to stabilize the raw materials base, the factory has planted its own willow trees here.

At the present time in all oblasts of the republic, under the associations and work-at-home combines, wicker-weaving sectors have been created. They produce various types of baskets (for mushrooms, berries, vegetables).

## Resolution Needed

The buildup of the production of output from waste products at faster rates has been limited by a number of problems, the resolution of which is beyond the competency of the ministry. Many types of waste products, for example, require preliminary enrichment before they can be used.

For example, on the basis of the waste products from the Gomel Chemical Plant imeni 50-letiya SSSR -- silica gel and phosphogypsum, of which there are tens of thousands of tons -- the branch institute has developed technical documentation for the production of dry, oil, and silicate paints, spacklings, and putties, but they are being manufactured only in experimental batches, inasmuch as the Gomel Chemical Plant has not resolved the questions of drying out the silica gel, or its mechanized unloading.

In a number of instances the reprocessing of secondary resources existing in quantities of many tons (lignin, phosphogypsum, halite waste products, and slimes) is being restrained because of the lack of the necessary equipment.

The existing methods and goals of planning in the application of materials require re-examination. For the time being, the enterprises have little self-interestedness in the maximum involvement of secondary resources into circulation. Since they are relatively cheap as compared with primary materials, they worsen the economic characteristics of the work performed by the collectives.

After the issuance of the decree of the CPSU Central Committee and the USSR Council of Ministers, entitled "The Broad Extension of New Methods of Management and the Intensification of Their Effect Upon the Acceleration of Scientific-Technical Progress," a new stage in our work began. The labor collectives are carrying out the active preparation for work under the new conditions, which will be tested as early as the fourth quarter of the present year. All the methodological documents on the basis of the statutes and the principles stated in that decree are currently being given their final formulation. On the basis of the new economic relations there will be a constant improvement in the administration of the branch, and there will be a continuation of the work to achieve the concentration and specialization of production and to create associations, and this, in the final analysis, will promote the buildup of the production of consumer goods.

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## CONSUMER SECTOR POLICY AND ECONOMICS

### CHANGES CALLED FOR IN GEORGIAN CONSUMER SERVICES MANAGEMENT

[Editorial Report] Tbilisi KOMUNISTI in Georgian on 30 October 1985 carries on page 2 GruzINFORM correspondents L. Trudkova's and V. Yaralov's 2200-word account of matters dealt with at the Consumer Services Ministry aktiv, which looked at a number of particular and general problems in that sphere. Despite overall plan fulfillment, consumer services in many named rayons--especially rural districts--were quite unsatisfactory. It appears that plans have been fulfilled largely thanks to less frequent but more costly jobs to make up for the neglect of, for example, individual consumer needs (shoe and clothing repairs and the like). The sector's physical plant and equipment have been a problem. In many cases, construction of outlets and facilities has dragged on for years. In addition, much costly equipment and shop space stands idle. Cadre turnover remains high, mainly because labor productivity, worker output, and earnings are too low to retain workers.

Consumer Services Minister K. Salia's candid comments on these various problems are quoted. It is essential, he says, for the sector to "go after customers" and to set up more outlets, build more facilities, create more "traveling brigades," and promote rentals and repair services. At present, large segments of the public "do not trust us" because of generally poor-quality services. In addition, lots of facilities are idle because they have been poorly located, without a proper prior study of consumer demand and demographics; the sector's Gruzgosbytproyekt Institute, moreover, has "stubbornly" ignored the ministry's suggestions and requests in this regard. As for widespread "negative phenomena" (various infractions and statistics are given), they can be fairly attributed to lax or dishonest management on various levels; some 65 nomenklatura officials had to be dismissed from their posts in 9 months (the ministry's control-auditing apparatus is slated for "reorientation"). Finally, as the sector heads into the 1986-2000 period, it is essential that "advanced experience" be shared more effectively among units of the ministry, especially as regards the results of experimentation. Minister Salia also reminds aktiv participants that the sector is converting to "new management conditions" from January 1986.

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## FOOD PROCESSING AND DISTRIBUTION

### CAFE ENTERPRISE DRAWS CUSTOMERS MINUS ALCOHOL

#### Reasons for Popularity

Moscow IZVESTIYA in Russian 13 May 85 p 6

[Article by A. Doroshev, IZVESTIYA special corres., Kharkov: "Operation 'Trust', or How a Serving of Ice Cream Won Out over a Glass of Vodka"]

[Text] No, it is not a detective story which I intend to tell you, dear reader. The trust which we will be discussing here is the prosperous and even progressive Kharkov Restaurant Trust. To be sure, it became such quite recently. And only after it gave up "staking its wager" on alcoholic beverages.

In April 1982, when Raisa Yegorovna Kurilo took over, the lag behind the plan amounted to 784,000 rubles. The plan had not been fulfilled on a steady basis for several years. Among the trust's most unsatisfactory enterprises was the Kristall Restaurant, located in the picturesque Shevchenko Garden. Even in the summertime, at the height of the season, it could not boast that many customers paid attention to it, while in the wintertime, when the garden was deserted, matters were going really badly. It was intended to close down the restaurant here and relocate it next to the Tsvety Store. Raisa Yegorovna made great efforts to defend the restaurant and delay this move. The idea which she proposed seemed improbable to many persons. Her opponents reasoned somewhat along the following lines: what can be expected from ice cream, on which Kurilo was now staking her wager, if the plan had not been fulfilled even with the help of such a "lever" as alcoholic beverages? Perhaps Raisa Yegorovna herself would not have risked such a step if she had not had an eye on an outstanding candidate--Alla Zorya--to play the leading role in the pastry show which she was planning.

By this time Alla Yakovlevna Zorya had already learned how to make remarkable ice cream. At first she had a great deal of trouble with the new-fangled automatic freezers. They have been designed to use powdered raw material, and the ice cream obtained from the latter is mediocre in its quality, somewhat worse than ordinary, plant-produced ice cream. Nobody had any idea of how to operate these freezers using natural products--the recipes and the technology were unknown to the Kharkov people. Zorya found both these elements. And people lined up from morning till evening at the door of the tiny dairy bar where Alla was the "manager."



Having summoned Zorya to see her, Raisa Yegorovna shared her idea with her.

"Well, how about it? Will you try it?"

"O.K. I'll try it."

Within a month (that much time was required to refurbish the area and install new equipment) the Kristall was transformed into a genuine kingdom of ice cream--chocolate, vanilla, walnut, pineapple, banana, cranberry (I fear I am tiring you out, but that is merely a third of the list). And what cream pastries, mousses, and souffles they have here! And fruit salads! And wild strawberries with whipped cream! And marvelous coffee served Viennese style!

The business took on scope. There was an increase not only in the output of sweets--there was also an expansion of the possibilities for experimentation. New kinds of ice cream began to appear, while the former ones became even tastier. Now stored in the large cold-storage facilities are several tons of various berries. The July supplies are sufficient to last until the following spring. It is not surprising that even in winter the main hall smells like summer.

The Kristall has also begun to shine with regard to its economic indicators. Last year the profits amounted to 62,500 rubles (a five-fold increase over the old Kristall), while the level of profitability was 9.67 percent. Is this a lot or a little? I would say that a public-dining facility can be proud of an indicator ranging from 4 to 5 percent.

But just how did ice cream win out in the competition with wine and vodka products?

"In the first place, as you can see, we have a very large influx of customers," says Alla Yakovlevna. "In the second place, we have reduced the staff by more than half its former amount. In the third place, the ordinary restaurant is fully operational only in the evenings, while at our place one wave of customers is followed by another: during the first half of the day we have retired pensioners, grandmas with their grandchildren, and young teen-agers; during the second half of the day we have young and middle-aged persons. There is also another reason: people go to an ordinary restaurant to spend the entire evening, whereas they 'drop in' at our place 'for a brief hour or less.' Therefore, the 'load per seat'--there really is such an indicator--has sharply risen at our place. With regard to alcohol, at the beginning we tried offering cognac and cocktails, but then we gave it up--the public began to be 'differentiated' and 'degenerated.' A certain mood, a micro-climate began to depart from the serving hall. Whoever is not a novice in our field knows that after this the regular customers usually leave for good. And to lose our public... No, thank you."

"Well, but what if one of your customers had some special occasion to celebrate today, and he and his friends decided...."

"Understood. The only thing which we could offer them would be champagne, and --to go with it--'Happy Birthday' plum ice cream and 'Name-Day' dessert."

The Kristall-2 experiment has left no doubts in the minds of the trust's leadership: it is necessary to "stake our wagers" on modest-sized (with a staff of only a few persons) and definitely specialized small restaurants and cafes. Even if they offer only two or three dishes, as long as they are made on the premises.

To support the new cafes, it was decided, in particular, to adapt the non-housing stocks allocated by the gorispolkom--basements and first floors of houses in the city center. To modernize and equip them turned out to be considerably more advantageous than to undertake new construction. Yet another calculation--a purely psychological one--has justified itself. An inhabitant of a city with a population of 2 million sometimes feels so much like hiding away from the multitude and plunging into the quietness of a small, cozy cafe.

The ones opened in recent years have splendid lay-outs. No, we are not talking about any particular luxury here. In the Goryachiye zakuski on Rymarskaya Street, the Rubina on Pushkinskaya Street, and in U kamina in Gorkiy Park the beauty is created, for the most part, by taste and style.

But a beautiful interior, excellent cooking, and attentive waiters are still not the entire story. It is also we--those of us who go there--who make a cafe good or bad (and this old truth was discovered, so to speak, anew in Kharkov).

The trust is now likewise engaged in an attempt to coordinate contents and form. The people there are trying to see to it that the ardent advocates of intoxicating, strong drinks stop defining the financial success of new enterprises. Formerly a waiter at times would lose any interest in you unless your order included something alcoholic; the aficionados of the "clinking glasses" were "dear guests" for him, inasmuch as they were "toiling" on the plan together with him. Now profitable earnings are provided by those very two or three dishes which you can get "only at our place." They are, to be sure, not inexpensive. But they are not inexpensive for a very good reason. As the saying goes, we do not mind spending money if there is something worthwhile to spend it on.

Although, you will agree, even after changing our economic tactics, the public cannot be changed in a single day. Is it correct to say that "the customer is always right"? The public-dining facilities in Kharkov have not been afraid to cast doubts on this precept. Right, but not always! It happens that we cannot indulge a customer in any case whatsoever simply because he is a customer.

"Why is it that some people think that a restaurant is not a place for indoctrination?" asks M. Pasiyeshvili, director of the Mrii, which I had been advised to visit without fail. "We indoctrinate each other everywhere and always. And even when we do not wish to indoctrinate...."

Pasiyeshvili proposed to the Komsomol raykom that a discotheque be held once a month in "his" little restaurant. Some of his colleagues shrugged their shoulders. Why, they said, does he need this? The "dish of the day" on such

evenings is coffee and pie; what kind of profit can he make from this?!

"Indeed, on such days the receipts are less than usual. But, on the other hand, think of the advertising which the kids furnish for the Mrii!" exclaimed Merab Vasilyevich Pasiyeshvili. It is precisely they who have spread the good word about it throughout the city. There are now many customers. And among them, by the way, are not merely youngsters. Persons well along in years have begun to come to the Mrii. These are people who have not gone to a restaurant for many years because they did not like the atmosphere...."

Figures from the financial report speak eloquently about how matters are going now at the restaurant managed by M. Pasiyeshvili: the Mrii's profitability level is 18.85 percent. For the trust as a whole this indicator, although somewhat less, is still high, amounting to 8 percent. The plan was over-fulfilled last year and the year before last.

In their own way Kharkov's new cafes and restaurants define the face of the city; they are becoming sights to be proud of. Soon a few more signs will appear on its old streets. The Cafe Bologna, named in honor of our Italian adopted-brother-city, will appear on Gogol Street. The Shokoladnaya roza will be located in an old-time private home on Karazin Street (there will be five serving areas with each one having its own distinctive dishes), while the Muza Cafe will be situated on Pushkin Street, directly across a new square where a monument to the poet is to be placed.... The most noteworthy point in their intentions is the following: to be not merely "centers for eating food" but also centers for getting together, places of culture, rest and recreation. The Kristall, for example, even in February's very cold weather, when nobody feels much like eating ice cream, is filled with customers. And do you know why? The squares and parks have been closed for a period of time; it is too cold for meetings there, but here in the cafe things are fine, warm, and even--do you remember?--it smells like summer. And so people come here to meet their friends and discuss the news. It is interesting to note that the old Kristall's lack of success in the wintertime was explained by the very same thing--the "gardens being empty"--which explains the success of the new one. From now on the winter holds no terrors for the people at the Kristall: they make their own weather.

Other cities in this country have also heard about the particular characteristics of Kharkov's ice cream. Guest-colleagues frequently come to visit the Kristall. Representatives from all the oblasts in the Ukraine, as well as from Moscow and Leningrad have all shared in the following opinion: the tastiest ice cream today is being made in Kharkov. The press--both at the central and the republic levels--began to write about this ice cream and its "inventor." In order to enable the Kharkov experiment to make further headway more rapidly, the Ukrainian SSR Minister of Trade disseminated a special letter entitled "On the Procedure for Preparing and Making Soft Ice Cream in Freezers," along with a supplement containing the recipes developed by A. Zorya.

Quite a bit of interest has appeared in the work of Kharkov's public-dining facilities, but this certainly does not mean that everything here is "completely up to date." Alas, not every cafe has its own Zorya, nor every restaurant



its own Pasiyeshvili. They are overwhelmed with work and do not have time to do all of it. But the problems are acute. It is high time, for example, that we put an end to the "seedy bars" on Sverdlov Street. Why not do this decisively, as was done in the case of the "famous" beer joint on Pushkin Street, the one which went by the unofficial name of "The Seven Steps" (located there now is a popular small cafe).

It is very important now that this work, which began so promisingly, not get bogged down half-way along the road. But here it is appropriate to point out that a great deal depends on you and me. The struggle for sobriety and a cultural type of leisure cannot be the concern merely of "certain comrades." This is a matter of common concern and must, therefore, be shared by all of us together.

#### Continued Economic Success

Moscow IZVESTIYA in Russian 2 Dec 85 p 4

[Article by A. Doroshev, IZVESTIYA special corres., Kharkov: "Operation 'Trust', Continues, or How to Win the Battle against Vodka without Economic Losses"]

[Text] In the article entitled "Operation 'Trust'" (published in IZVESTIYA, No 133) mention was made of the fact that certain enterprises of the Kharkov Restaurant Trust had begun to operate successfully under "extreme conditions" --without vodka. It evoked a great deal of varied responses in the mail. "The Kristall Restaurant was converted into an ice-cream cafe solely because it was unprofitable. But it never had brought it an income...." (A. Gorskiy, Kharkov). "I read about the Kristall Cafe, and immediately it was as if I had returned to my youth: the Civil War had just come to an end, and the young people were returning from the various fronts. In Kherson, where I was living at that time, you could buy vodka at any snack bar. But, just imagine, the most popular place in the city very soon became a cafe which was similar to the Kristall.... Its experiment should be disseminated through the entire country." (G. Shirokolobova, Dnepropetrovsk).

Well now, the wish expressed by our reader has already begun to be carried out. R. Ye. Kurilo, the director of the Kharkov Restaurant Trust, showed me a newspaper which had been sent from the Crimea: "A dessert-type restaurant similar to Kharkov's Kristall Cafe has been opened in Yalta." Similar news has come in from Tbilisi, Voronezh, Belgorod.... During the last few months Kharkov has been visited by delegations from 70 cities of our country. Just recently an All-Union conference was held here; the principal question discussed thereat was the same as that given in the sub-heading of the present article.

Having excluded alcohol from the menus of 57 institutions under its administration (and all told there are 100), the Kharkov Restaurant Trust is losing 300,000 rubles per month for this reason. But it is fulfilling its plan. Does that mean that it is finding these 300,000 somewhere? I became interested in the where and the how. All the pastry and bakery shops have begun working in two shifts. Their products have found buyers in those very institutions which until recently were places inhabited by the "green snake" (vodka). Now



what are "raging violently" here are the aromas of fruits, Brazilian coffee, along with that of freshly baked fancy bread and rolls. Furthermore, the city's sidewalks have "bloomed" with the bluebells, lilies, and tulips of 63 outdoor cafes.

But everything which we have been talking about up to now has been, so to speak, the economic tactics of the Kharkov people. And now something about strategy.

It is possible that the reader will recall that the Kharkov public-dining facilities have proceeded along the path of specialization. It was decided here that each enterprise should have precisely delineated features. What's the use of having a cafe present the customer with a dozen far from remarkable tasting dishes? Better to make them two or three but such that even an experienced housekeeper would open her arms as if to say--tastier than home-made.

Often in a specialized cafe all the dishes are based on one "theme"--potatoes, for example, eggs, stews, or pies. Within these "themes," however, the narrow specialization can be quite broad: if dumplings are offered, for example, there can be all kinds of fillings. It is also important that enterprises located very near each other comprise together a kind of "culinary program"--not two ice-cream cafes in a row but, let's suppose, a pizzeria and nearby a desert bar. Then there is a choice; there is an alternation of gastronomical impressions.

Ideas are particularly valued in the trust these days. The following procedure has been established: any person can address a proposal to the directors--they must hear him out, analyze the matter, and give him the opportunity to defend his idea.

Just what kinds of ideas have passed the stage of defense and received a mark of "good"? Instead of the Pingvin Cafe, for example, where the customers have not exactly been "spoiled" by too much attention, it is intended to open a specialized enterprise to be called "Dyruny" (potato pancakes). "We are introducing express service here," explains O. Kobzar, the trust's deputy director. "But in order to prevent this fast-food cafe from turning into a place where people drop in for too short a time, we are thinking everything out in advance and down to the smallest detail. We want to combine speed with a high class of service." Oleg Zakharovich Kobzar has provisionally dubbed this kind of enterprise a "ruble in two."

"Good money can be made even on very inexpensive dishes. We will try to prove that 'cheap is profitable.' Moreover, this applies to us as well as to the customers."

But, perhaps, the trust's greatest concern is opening a non-alcoholic, dessert-type restaurant. Considerable hopes are tied up with it--they are preparing it to play the role of the most popular restaurant in this city. First-class chefs, pastry-chefs, and waiters will be working here. There is a profound idea in having the city's best enterprise non-alcoholic. An outstanding popular restaurant, the people in the trust suppose, will become an outstanding popularizer of a sober table.

"We are introducing a new type of wages at our enterprises," says F. Sobolev, chief of the oblast administration of public dining. "Previously wages depended solely on the over-all goods turnover, and nobody was interested in how much a part alcohol played in this amount. But now wages are composed of several unequal parts. For alcoholic beverages sold the contributions to the wages are only one-eighth of that for products of our own making--fish, dairy, vegetable, and other dishes. That is, if 100 rubles earned on vodka contribute, let's say, 1 ruble to wages, then 100 rubles obtained for non-alcoholic dishes--contribute 8."

Of course, this is radically changing the psychology of those persons employed in public-dining facilities. Formerly a waiter considered it to be practically his service duty to "punish with scorn" a non-drinking customer. But now he makes every effort to please just such a customer.

It has likewise proved beneficial to combine the brigades of the kitchen and the serving hall into one trade-production brigade. It has also become part of the agenda to combine occupations and expand the serving areas. A female kitchen worker, let's say, after finishing tidying up, does not sit with her hands folded but goes to help clean the vegetables. What is the reason for her to do this, you ask? It is these vegetables which are used in preparing those very dishes which add a good supplement to the wages, for her and for all the other members of the united brigade. Everyone is now motivated to expand the non-alcoholic production. Furthermore, bonuses now are likewise paid out not for fulfilling the plan at any price but rather on condition that there is an increase in the volume of the enterprise's own output. And the more it is, the higher is the bonus.

A sober view of things was suggested to the Kharkov people: a non-alcoholic enterprise absolutely has to have an excellent interior. There are already many attractive cafes in Kharkov. Soon the following new ones will be added to them: "Morskaya glub" with aquarium walls, "Vremena goda," where sliding showcases in the windows will be changed upon the "demands" of the calendar, and fashion shows will be staged by the beginning of each season--if the House of Models will render their assistance.

By the way, there already have been examples of cooperation between dining facilities and other organizations in Kharkov. Just take the cinema-cafes, for example. The newest of them--the Mechta--was until recently an ordinary cafeteria. It used to be busy enough during the day, but after 5 pm things became very slack. The idea of converting the Mechta into an evening cinema-cafe has proved to be successful in all respects. Round about is a new micro-rayon. Up to now there have been no motion-picture theaters or cafes here. The Mechta has become both at the same time. Moreover, no new construction had to be undertaken--a ready-made building had been vacated. Unique wall-partitions strikingly change its appearance within a couple of minutes. From somewhere in the ceiling a screen descends, and a gaily colored stage is illuminated by moving lights.... For three rubles they feed you with a tasty supper here and show you a new film (moreover, even before it is shown on the city screen). And before the show, just like in the good old days, the stars of the world stage and screen, as amusingly parodied by the members of a young people's theater-studio, sing their best songs for you. Responsibility

for the evening's program rests with a producer-director--a person who is on the staff of the Mechta.

And, in general, today's cafe--more and more public-dining employees are coming to this conclusion--must return to having certain characteristics of a club. It can and should have not merely a culinary but also a "spiritual specialization," its own circle of "regulars," whether it be devotees of travel, motion pictures, the guitar and Russian romantic songs, etc... Such an enterprise would satisfy the "hunger for communicating with other people" while, at the same time, feeding them.

In stating that this matter is on the rise in Kharkov, we should add, for the sake of fairness that there is still a long way to go in order to reach the summit. Already now this fine and healthy business is in need of "first aid" --there are not enough automatic units for the sale of sandwiches, nor are there enough juice-coolers, ice-cream freezers, good ovens, batch dividers, and ice-makers.

The new cafes simply must attract attention to themselves--to become modish and prestigious, if you like. The average non-alcoholic cafe is a bad cafe. It never wins in competitions with "pub-type institutions." The struggle against strong spirits in such a cafe, as a rule, boils down to simply replacing alcoholic products with non-alcoholic ones. But the old liquor-and-vodka style of operation is retained even without the vodka. Nevertheless, such a cafe does not have to go far in order to gain some good experience--all those people have to do is to take a seat on the streetcar or even walk to a nearby street, and look in on their colleagues who have no lack of customers, and they will finally become convinced of the following: an alcohol-serving place which has profitable sales can only be "conquered" by a more "profitable," inventive organization of the new type. That is the only way.

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